

**YOUR COMPLETE
GUIDE TO THE NEW
STUDENT FEES**
All you need to know in a
free pull-out section

EDUCATION +

**ALL THE
PRESIDENT'S
WOMEN**
Who's claiming what
about Clinton

NEWS, PAGE 14

**THE CREATURES
THAT TIME
FORGOT**
Secrets revealed
after 50m years

NEWS, PAGE 11

**AIRLINE WARS
SET FARES
TUMBLING**
The woman who
will fly you for less

NEWS, PAGE 3

THE INDEPENDENT

Newspaper of the Year for photographs

Thursday 2 April 1998 45p (IR50p) No 3,574

Camelot sacks GTech as lottery cleans up its act

By Ian Burrell

A NEW five-member body was set up yesterday to regulate the National Lottery as it emerged that lottery operator Camelot had bought out the stake of its controversial American partner GTech.

Chris Smith, Secretary of State for Culture, Media and Sport, said the new Lottery Commission would reduce the

risk of conflicts of interest. The move follows the resignation of the first lottery watchdog following Virgin chief Richard Branson's libel victory in the High Court earlier this year.

Peter Davis stepped down from his position as director-general of Ofot after the hearing, at which Mr Branson said he had been offered a bribe by Guy Snowden, a director of GTech, which held a 22.5 per cent stake in Camelot. Mr

Snowden wanted Mr Branson to drop out of the race to run the lottery.

It emerged that Mr Davis had accepted free flights from GTech, which is currently under investigation by Ofot over whether it is a "fit and proper" company to be involved in the National Lottery.

In a statement it said: "Camelot believes this is the right response to the public mood for a largely British-owned operator of the National

Lottery, and that it is in the best interests of lottery players." GTech will continue to supply Camelot with lottery systems and services.

Mr Smith said he welcomed Camelot's "sensitivity to the public mood". But he added that it would be wrong to say anything further until Ofot's acting chief, John Stoker, had completed his investigation into GTech's position.

Under the changes an-

nounced yesterday by Mr Smith, the post of Director General will be scrapped to make way for the five-strong Commission. The Commission will still be serviced by Ofot and will have the same duties and functions as the director general.

Mr Smith said: "This is good news for the good causes because they'll be assured of support from a team of people overseeing their income."

"It's good news for the op-

erator because it will not be subject to the whim of a single individual regulator."

"Above all it's good news for players because they'll be assured that the lottery is being run properly."

The changes will be introduced as an amendment to the National Lottery Bill which is due to come before MPs for its second reading next week.

The new structure is ex-

pected to be up and running by

1999, in time to oversee the competition for the new Lottery licence to begin in 2001.

The Commission replaces plans in the lottery Bill for an "advisory panel" to help the director general choose the next operator.

Mr Smith said: "[The Com-

mission] will reduce the risk, ac-

tual or perceived, of conflicts of

interest and regulatory cap-

ture, and remove the focus on

an individual."

Electronic CV planned for every citizen

By Judith Judd

Education Editor

ELECTRONIC curriculums detailing the achievements of each from their cradle to the be considered by the

it from exam re-

adult ed-

plas

Today, Mr Higgins will outline his scheme at a conference sponsored by *The Independent* and *Independent on Sunday*. "We are into lifelong learning. So we aim for a database of every single citizen in the UK, which will hold all their educational and other achievements."

The database might be used as proof of qualifications for entry to university or employment or as a check on the state of someone's student loan.

To begin with, the new "profiles" would include exam results and other qualifications from the age of 16, such as vocational qualifications, GCSEs and A-levels, "key skills" in communication and numeracy, achievements in activities such as sport. Eventually it will also contain pupils' profiles from the age of five.

Mr Higgins says: "If the proposal is adopted, they will fundamentally change attitudes and practices so that we shall have a more socially cohesive and better educated population, with all the economic and cultural benefits that that would bring."

Personal profiles, page 6

at Scrubs

cause of "sickness". Later in the day as a new shift came on a further 40 were also overcome with illness.

Richard Tilt, the Director-General of the Prison Service, "Reporting sick in such numbers helps no one. I use that the current situation has unsettled many in the way forward is to allegations properly finally investigated."

Adams, national vice-chairman of the Prison Officers' Association, yesterday insisted sick were genuine.

"Their families based ... we saw members breaking because of what he said."

Chinese PM enjoys a traditional British welcome ...



Chinese prime minister Zhu Rongji shelters from April showers yesterday on the first day of his official visit to Britain. Mr Zhu is due to meet Tony Blair for talks today, ahead of the second Asia-Europe Meeting. Report, page 12

Photograph by Lynne Sladky/AP

New HRT pill to be sold over counter

By Andrew Yates

TREATMENT of the menopause, which affects millions of middle-aged women every year, could be revolutionised by the launch of a tablet which is promised by its makers to be a safe alternative to Hormone Replacement Therapy.

Promensil is based on plant oestrogen which is found in soya and vegetables such as beans. It is said to help cure the menopausal symptoms, which can cause hot flushes, profuse sweating or even depression and violent mood swings.

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TOMORROW
IN THE EYE

■ Ryan Gilbey:
movies of the
week.
Scorsese loses his
nerve on mean
streets of Tibet

■ Fleetwood back:
The return of Guitar
God Peter Green

■ Hip-hop meets
Dad Rock:
Howie B and Robbie
Robertson in the
groove

■ Rare gem:
Puccini's Trittico at
the ENO

■ Dickens
goes to
Florida:
Gwyneth
Paltrow
plays the
temptress
in Great
Expectations
remake

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Recycled paper made up
41.4% of the raw material for
UK newspapers in the
first half of 1997.

BSE tests in 1990 'bound to fail'

By Charles Arthur
Science Editor

cooking methods using micro-
wave ovens.

"On those topics we had had the
same response, which we
knew was wrong."

Subsequently, research has
shown that the "mouse model"
of infectivity used by Maff in
those NPU experiments underestimates the infectivity of
tissues by a factor of about
1,000. Meanwhile, in a separate
experiment concluded last year,
Dr Bruce showed that BSE
was the cause of "new variant"
Creutzfeldt-Jakob Disease
(v-CJD) in humans. So far, 24
Britons have died of v-CJD, ac-
cording to official figures.

Dr Dealler was one of the
first independent scientists to
point out many of the aspects of
the epidemic which have sub-
sequently been confirmed by
others, including the Govern-
ment itself. In 1992, in spite of
refusal by Maff to provide de-
tailed data, he calculated that
many more cattle incubating the
disease were passing into human
food than ever fell ill. He
worked out that the ratio was 7
to 1. In 1995 Professor Roy An-
derson of Oxford University, us-
ing Maff's full database, showed
that the ratio was 6 to 1.

Both Mr Fraser and Ms
Bruce expressed worries to him
over the risk posed by such tis-
sues to people eating cattle-de-
rived food, which might
therefore be infected with BSE.
Moira Bruce said the risk
might have already been taken."

But Dr Dealler told the in-
quiry, led by Lord Justice
Philips, that his experiences at
the University of Leeds, where
he worked in the 1980s, showed
him that it was next to impos-
sible to persuade Maff to admit
publicly that it was misinformed
about the risks posed by food-
stuffs. He had worked with
Professor Richard Lacey, who
had tried to alert people to the
dangers posed by salmonella, lister-
ia and the possible failure of

In 1994, Dr Dealler warned
that blood transfusions might be
a possible source of infection of
v-CJD between people. But
government sources resisted
the suggestion. Late last year,
the Government admitted that
blood products could be in-
fected with v-CJD, and with-
drew a number of supplies.

The inquiry should examine
the theory that organophos-
phates (OPs) cause both BSE
and v-CJD, an all-party group
of MPs said yesterday. The
group's chairman, Paul Tyler,
Liberal Democrat MP for
Cornwall North, said it was
"too much of a coincidence"
that OP farm use and BSE had
coincided so closely.

Cryptic crossword

Due to a production error, Tuesday's cryptic crossword was print-
ed again on Wednesday. We apologise for the annoyance this
caused. The puzzle which should have appeared yesterday is
printed on page 20, in addition to today's crossword which ap-
pears in its usual place on page 32.



Fresh face: Hull schoolgirl Lorato, 17, hailed as the 'new Naomi Campbell', being made up before her launch party yesterday. The Botswana-born student won the first world-wide contest to find the next black supermodel launched by Select Models and Troc magazine. Photograph: Nicoli Kurtz

Mowlam positive on Ulster talks

By David McKittrick
Irland correspondent

HERALDING a historic break-
through in the Stormont multi-
party talks, Northern Ireland
Secretary Dr Mo Mowlam yes-
terday announced that because
so much progress had been
made the final deadline had
been advanced to today.

She then collapsed in a fit of
giggles as reporters gaped in
incredulous silence before they
realised that this was an April
fool joke and joined in the
laughter.

The surrealistic moment pro-
vided some relief from the
steadily intensifying discussions,
which Dr Mowlam characterised

as tough but positive in the lead
up to the 9 April talks deadline.
She remained determinedly op-
timistic, declaring: "I believe we
are going to get there."

At intervals during the day,
various participants emerged
from the talks' building to deliv-
er media soundbites, evi-
dently designed primarily to
assure their supporters that
they were in the process of driv-
ing the hardest possible deal.

The most effective early
soundbite of the day came from
Ulster Unionist party deputy
leader John Taylor, who de-
clared the talks deadlocked,

announcing that there could be
no real negotiations on other
issues until Dublin showed that

it was serious on the issue of
amending articles 2 and 3 of the
Irish constitution.

Dublin responded sharply,
with junior foreign affairs min-
ister, Liz O'Donnell, describing
Mr Taylor's comments as "par-
ticularly unhelpful at this late
stage in the negotiations".

Saying he was attempting to
extract one aspect and make it a
pre-condition over other as-
pects of the negotiations, she
added: "That is not the way we
are going to resolve our differ-
ences. I really do think it is po-
litically immature at this stage
to talk about deadlock."

Later SDLP deputy leader
Seamus Mallon said the shape
of agreement envisaged by

some was not balanced as far as
nationalists were concerned,
warning that final agreement
would be very difficult to reach
unless nationalist aspirations
were satisfied.

● Tony Blair last night held a
working dinner with Irish prime
minister Bertie Ahern at Downing
Street in an attempt to narrow
the gap between the parties
over the Northern Ireland
peace process.

Mr Blair was seeking to
reach a compromise over the
cross-border "implementation"
bodies which are being resisted
by the Ulster Unionist leader,
David Trimble, who met Mr
Blair at the weekend.

The Finucane case, page 8



Mo Mowlam: surreal
moment for journalists

Charity body complacent over fraud, say MP

THE BODY which regulates
charities was yesterday criticised
sharply by an influential com-
mittee of MPs for adopting a
"complacent" attitude to po-
tential fraud.

The Commons Public Ac-
counts Committee voiced its
disappointment at the Charity
Commission's "lack of manage-
ment grip" and said it was fail-
ing to use its existing powers to

anything like their full potential."

The committee chairman,
David Davis, said: "I am con-
cerned that the Commission is
too complacent about the pos-
sibility of abuse in the charity
sector and have shown a lack of
management grip in their reg-
ulation of the sector.

"The Commission view
abuse as a minor problem in the
sector as a whole and they are

might be right. The point is that
they have failed to collect the
evidence to prove that they are

not being defrauded.

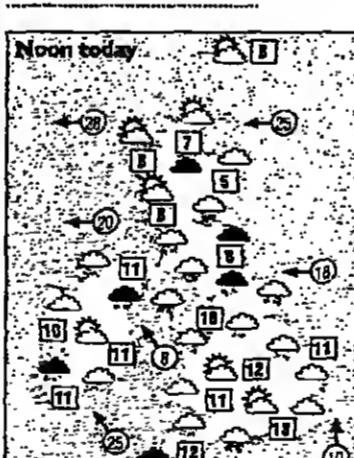
The Commission is charged
with regulating 184,000 regis-
tered charities in England and
Wales. In total the charity sec-
tor has an annual income of
£16bn, and assets of £35bn.

Mr Davis said: "British peo-
ple are very generous and
happy to donate very little."

suns to charity. Without question
that charity abuse.

?

WEATHER



British Isles weather

most recent possible figure at noon local time
County: Cities: Flock: Pg: Top: H: Name: Miles: Rank:

Aberdeen	R 7 45	Glasgow	C 12 54
Ayresley	C 13 55	Inverness	Sh 7 45
Ayr	C 10 50	Leeds	Br 9 48
Belfast	C 9 48	Isle of Scilly	C 12 54
Birmingham	C 11 52	Jersey	C 14 57
Blackpool	F 10 50	Liverpool	C 11 52
Bournemouth	C 13 55	London	R 11 52
Brighton	M 11 52	Manchester	C 10 50
Bristol	D 11 52	Newcastle	C 8 43
Cardiff	M 9 48	Oxford	C 9 48
Carlisle	C 8 45	Plymouth	Fg 14 57
Derry	C 11 52	Rosslare/R	R 7 45
Dublin	C 10 50	Southwark	C 11 52
Dundee	C 8 45	Sheffield	C 9 48
Exeter	C 15 59	Stornoway	C 8 45
Glasgow	C 8 46	York	Sh 8 46

INDEPENDENT

For the latest local news
for your area
Office: Call change

High tide

London

Liverpool

Aberdeen

Hull (Alber-

Greenock

Dun Laog-

Height m-

Low+

Belfast

Brent

Port

Grimsby

Southend

Weymouth

Exmouth

Teignmouth

Devonport

Falmouth

Penzance

Land's End

Stornoway

Orkney

Shetland

High tide

London

Liverpool

Aberdeen

Hull (Alber-

Greenock

Dun Laog-

Height m-

Low+

Belfast

Brent

Port

Grimsby

Southend

Weymouth

Exmouth

Penzance

Land's End

Stornoway

Orkney

High tide

London

Liverpool

Aberdeen

Hull (Alber-

Greenock

Dun Laog-

Height m-

Low+

Belfast

Brent

Port

Grimsby

Southend

Weymouth

Airline price war sets fares tumbling

By Randeep Ramesh
Transport Correspondent

BRITISH Airways fired the first shots in an air fares war yesterday with the announcement that its low-cost, no-frills carrier - Go - will offer £100 return tickets to European capitals.

The new airline will begin flying to Rome, Milan and Copenhagen from Stansted. It planned two flights a day, which start in May, will offer "quality food" for sale and Go promises to do away with tickets and boarding passes. "All you will need to travel is your passport," claims Barbara Cassani, the company's chief executive.

The 300 seats a day being offered by BA's Go operation are merely the first steps in the airline's attempt to stave off the flock of low-cost carriers that have sprung up over Europe.

Ms Cassani yesterday confirmed Go was also considering flights to Stockholm, Paris, Edinburgh, Nice and Amsterdam. "Germany has great potential too. Basically nothing is sacrosanct," she said. "We will be up to three services a day later this year." Combined with the strong pound, European fares are likely to drop to their lowest level.

The rapid expansion will alarm other smaller competitors worried that BA aims to put them out of business. EasyJet, which flies from Luton, said Go had chosen deliberately not to fly to any of its destinations because

cause of a pending legal action.

"We see this as a temporary situation. With our 12 aircraft to be delivered within the next 18 months, and their own growth plans, we will be crossing swords very soon," said EasyJet's chairman, Stelios Haji-Ioannou. He added that all three cities chosen by BA were on EasyJet's schedule for 1999.

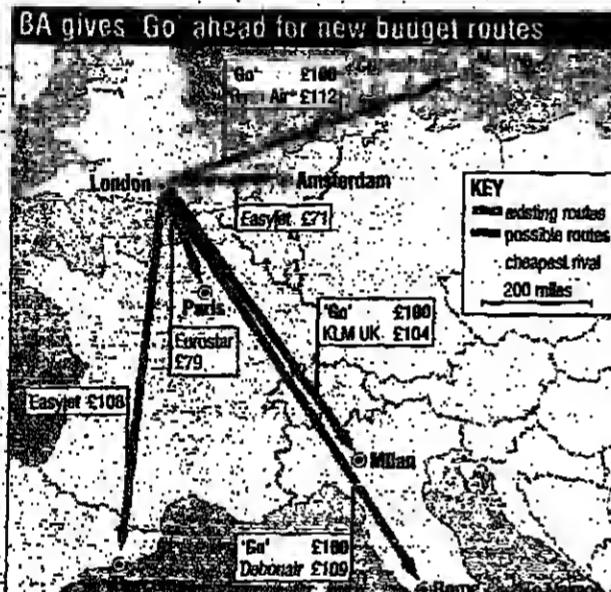
To start with all 148 seats on Go's Boeing 737 will be priced at £100 - a departure for the airline industry which usually only offers a tenth of a plane's capacity at its lowest price. Go will be operating three leased Boeing 737s initially.

Debonair, which flies from Luton, will be meeting Go's challenge head-on as both will fly to Rome. "But it is not just us - they will be poaching passengers from British Airways which flies six times a day to Rome," said Franco Mancasola, Debonair's chief executive.

Michael O'Leary, who runs Ryanair - which also flies from Stansted, reacted "coolly" to BA's move pointing out the £100 fare was "an introductory offer only". Ryanair has announced six new routes from Stansted this summer, including three to Italy. Although Ryanair appears indifferent to BA's new airline, it will face tough competition. Its flight to Malmo will compete for virtually the same market as Go's trip to Copenhagen - when a bridge connecting the two cities opens.



No-frills style: Barbara Cassani, who runs Go, BA's cut-price airline which takes off in May



Saddam leads way as April fool jokes backfire around world

By Louise Jury

OH, HE is a wag that Saddam Hussein. Or at least his son is. Uday owns Iraq's most influential newspaper whose front page yesterday proclaimed that United States President Bill Clinton had called for an end to United Nations sanctions against Iraq.

Boom, boom. As the continuation of the news item on its second page made clear, the story was an April fool's joke. "It is the beginning of spring. Many happy returns."

Yet the side-splitting black humour of Hussein junior was nothing compared with other April fools which backfired around the world.

One Portuguese radio station upset football fans when it tricked them into believing the country had won late entry into the World Cup in France this summer. A Lisbon broadcaster announced that Iran had decided not to compete "for security reasons" and that Fifa, football's governing body, had designated Portugal as their replacement. In Scotland, a government



Uday Hussein's paper carrying good news from Clinton

housing agency had to issue a formal apology after it was accused of being "crass and insensitive" for its effort to make people smile. Scottish Homes had issued a press release saying rural housing problems could be tackled by moving complete empty urban homes into the countryside.

A spokesman went on to claim that not only the houses,

but the lamp posts and pavements could be moved too. But the housing charity Shelter Scotland failed to see the funny side and Jim Wallace, leader of the Scottish Liberal Democrats, echoed its objections.

Tricia Marwick, spokeswoman for Shelter Scotland, said: "We have a real housing crisis in Scotland and if Scottish Homes think that is a fit subject for a joke then I don't think much of their sense of hu-

mour." And Shelter's policy officer, Michael Thain, said: "It is a bit like the NHS making a joke about chucking old people out of hospitals to free up waiting lists."

Meanwhile, the *Financial Times* was slightly pinker than usual yesterday after it fell for an April fool joke by the drinks company Guinness - even breaking the embargo to publish a day early.

"Greenwich Mean Time will be renamed 'Guinness Mean Time' until the end of 1999 and the Accurist speaking clock will be amended to feature 'pint drips' instead of 'pips' to count the seconds," the newspaper dutifully reported.

Unfortunately, it was not true, although a spokeswoman for Guinness was charitable to the reporter concerned. "The FT was running a perfectly serious business piece and Guinness faxed over the spoof among other information. It wasn't really his fault."

The newspaper failed to see the funny side. "The release was apparently intended as part of an April 1 spoof," it noted, snifflily, in yesterday's correction.

Channel 4 told to apologise to Greens

By Paul McCann
Media Correspondent

CHANNEL 4 has been told to issue an on-screen apology to leading members of the Green movement after television's watchdog issued a damning report on its controversial *Against Nature* series.

In a major embarrassment for the broadcaster, *Against Nature*, which tried to take a critical view of environmentalism, has been found to have distorted the views of four contributors to the programme by selective editing, according to the Independent Television Commission. The

makers of the programme, RDF Television, have also been found to have misled the contributors about the subject of the programmes when persuading them to take part in it.

Lord Melchett, head of Greenpeace, Tony Juniper of Friends of the Earth and two other leading conservationists complained to the ITC about how their views were presented by the programme.

After viewing unedited tapes of their interviews the ITC found that "the views of the four complainants, as made clear to the interviewer, had been distorted by selective editing."

The ITC also found: "The in-

terviewees had also been misled as to the content and purpose of the programmes when they agreed to take part."

Against Nature caused a furor

in Green circles when it was shown in December last year and claimed that most environmentalist arguments could be disproved by "rational" science. It was promoted by Channel 4 as a counter-weight to the Green movement's "theology". It suggested that environmentalists had made science terrifying and argued that sustainable development held poor countries back.

Channel 4 said: "We welcome the ITC's view which approved the approach adopted by *Against Nature* as a legitimate one. This reaffirms Channel 4's freedom to explore difficult, unpopular and unfashionable terrain."

I'm no superwoman, says the high-flyer with no frills

TODAY IS ONE of the most important days of Barbara Cassani's life, writes Ann Treneman. This morning, bookings open for her new airline - the cut-price Go which starts flying from Stansted in May. It is being marketed as one that is no-frills but with some style. In this way it is a hit like the boss - a 37-year-old American transplant - though she has no intention of playing this up. "I'm not into cult of personality."

What she is into is hard work and lots of it. She is American and is one of those people who gets up at 6am. She eats breakfast with her (English) husband, an investment banker, and they are both out of the house before their two small children are even awake. "We tip-toe out, so we don't wake up the nanny," she says.

She works a 12-hour day and is home to read a book at bedtime to the kids. Then, she says, it's usually time for a little more work.

Barbara Cassani is a classic driven Type A and a compulsive list-maker. "My lists are essential and I love the feeling of satisfaction I get when I can tick things off," she says. She is driven, and not only in work. When talking about the long commute to Stansted from her west-London home, she adds: "It will be gruesome. But if I am driving in the morning I plan to do lots of things like buy some language tapes and learn something new."

Everyone says that Ms Cassani is down-to-earth, a team-player and easy to get along with. She is giggly and girlish and has a good sense of humour. Just when you think she must be a poster child for something, they add in a lower tone of voice that she can also be ruthless. She admits as much herself, though only in her natural language of management speak: "I am quite a focused person who likes to deliver results."

She doesn't like labels, even one as obvious as the fact she

IN THE NEWS

BARBARA CASSANI

is American. As an employee of British Airways for 10 years, she claims not to be an "import", despite what her passport may say. Her life may be that of a superwoman but she rejects the very word. "I am just not gender aware," she has said. (She talks like this a lot. For instance, she claims that as head of Go: "My job is to transfer vision".)

Ms Cassani says she likes change - which is good because she's certainly had a lot of it. She spent her childhood moving around America following her father's sales and marketing job, and much of her career has involved ping-ponging between the US and Britain as a BA executive.

In between came two degrees: she got her BA in in-

ternational relations from Mount Holyoke College in Massachusetts and her MA in public affairs from Princeton (where she met her husband, Guy Davis). She worked as a management consultant with Coopers & Lybrand but was frustrated by giving good advice that didn't get followed. One day she answered a newspaper advertisement for somebody who would "challenge markets and be part of creating a new vision of the world" in a service industry.

It turned out to be BA. At first she worked on their computer reservations systems, then in sales and marketing.

She was living in America when the telephone rang and BA chairman Bob Ayling offered her the chance to help set up what would become Go.

"I discussed it with my husband for half of five seconds," she says. "We moved back to London before I even knew if the project would be going ahead."

As of today it is all Go - and

LOW POINT

Barbara Cassani is known as warm and witty - except when the subject of dirty tricks is mentioned. Even though her role was peripheral in the controversial battle between British Airways and Richard Branson's Virgin that caused BA such huge embarrassment, Ms Cassani reacts to questions in an almost formal manner. "I am a highly professional and honest person," she has said.

HIGH POINT

The market for low-cost airlines may be cut-price but it is also cut-throat. Witness the adverts late last year that warned that Barbara Cassani was merely an agent of Bob Ayling at British Airways. "Beauty and the Beast,"

said one advert above pictures of the pair. Ms Cassani was less than terrified. "It so sweet!" she hooted. "They think I'm beautiful. I showed my husband and I said, 'There'. He was laughing so much he was under the table."

NO GUILT

At one point last year Ms Cassani was commuting across the Atlantic in order to see her children. Things got a little easier when the family relocated to southwest London though she still only sees her kids for an hour or so a day during the week. She has a nanny and a housekeeper and no guilt. "I never resent the job. I feel comfortable with the choice I have made," she said. "No one forces anything on me."

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Josie award derisory, says her lawyer

By Jason Bennett
Crime Correspondent

THE COMPENSATION paid to Josie Russell, the 11-year-old girl who was severely injured in an attack which her mother and sister were murdered, is to be reassessed following an outcry over the decision to pay her £18,500.

Josie's lawyer, and campaigners, attacked the amount of compensation as "derisory" and an official appeal has been lodged.

Jack Straw, the Home Sec-

retary, said he could intervene, but added that he hoped the family would appeal.

The Home Office is currently re-examining the amounts being paid to victims of crime, but under cost-cutting changes introduced by the last Government there is little discretion involved in calculating the total payouts. A new fixed tariff means that the amounts being awarded have dropped significantly in the past two years.

Josie suffered severe head injuries and was left for dead in the attack in which her mother



Lin, 45, and sister Megan, 6, were battered to death on a country path in Chilenden, Kent, in July 1996.

The £18,500 award was given to Josie for the loss of her mother, at a maximum of £2,000 a year up to the age of

18, plus any care costs. A second package of compensation is awarded for the actual injuries Josie suffered, which include speech problems, head injuries and post-traumatic stress. Her lawyer believes these will total about £20,000.

The maximum award for either compensation package is £500,000, but this is intended for exceptional circumstances, such as when a high earner is paralysed for life.

A spokesman for the Criminal Injuries Compensation Au-

thority admitted yesterday that part of the reason for the tariffs was to save money.

He added: "We are tied to the terms of the scheme, there are set amounts. We can't change the rules as we go along."

The Duchess of Kent with Josie Russell during the Children of Courage Awards 1996 ceremony.
Photograph: John Yeo

and compensating Josie for the terrible loss of her mother and younger sister. They didn't take the opportunity, and gave the lowest possible level award."

Jack Straw said: "There is a right of appeal which Josie's father can exercise in this case. If he has not already done so, I hope that he will do so."

Under the fixed tariff, the loss of an eye is set at £20,000, the loss of hearing in one ear is £11,500 and the most severe mental and physical injury could result in £250,000 compensation for the victim. On top of those figures are discretionary awards for care costs which could bring the total up to a maximum £500,000.

The loss of a parent, as in Josie's case, is dealt with as a separate claim. Under that, a child is entitled to £2,000 a year until the age of 18 and a spouse to £25,000.

Michael Stone, 37, is awaiting trial accused of Lin and Megan's murder.

Kreutzer Stradivarius sold for record £947,500

A STRADIVARIUS violin was yesterday sold at auction for £947,500 - the highest price paid for such a musical instrument. The "Kreutzer" Stradivarius was bought by Haim Lazarov, a former violinist and dealer based in London, after furious bidding in the South Kensington branch of the antique house Christie's.

The Kreutzer is believed to be named after Rudolphe Kreutzer, a French violinist famous for turning his nose up at a sonnet dedicated to him by Beethoven. Made in 1727, the violin dates from near the end of the so-called golden period of 1700 to 1728 of the world-famous violin-maker Antonio Stradivari. After the sale Mr Lazarov said: "This violin will soon be heard all over the world."

NHS waiting-list success

NATIONAL Health Service hospitals in England have succeeded in clearing those waiting longest from their lists four months after Frank Dobson, Secretary of State for Health, gave them an ultimatum to do so, writes Jeremy Lauance.

Provisional figures released yesterday showed that there were no patients waiting longer than 18 months at the end of March, the limit set down in the Patients' Charter. The number had increased six-fold after the election from 155 last May to 1,118 in November. Yesterday, Mr Dobson congratulated NHS staff, adding: "Now we move on to deliver other promises."

Marine life monitors

DOLPHINS, whales, sharks and turtles will be under surveillance following the launch today of a marine observation group. Sequest South West, covering the Devon and Cornwall coasts, will pull together fishermen, wildlife experts and amateurs to help build up a profile of the area's marine life.

Those interested can record any sighting of large sea creatures by telephoning the Cornwall or Devon Wildlife Trusts on 01872 273 929 or 01392 279 244.

Hand-grenade escape

AN UNKNOWN man who delivered a Second World War hand grenade, minus its safety pin, to Pickering police station in North Yorkshire was described as "probably the luckiest man alive" by army bomb-disposal experts who carried out a controlled explosion of the device. The man told police only that he had found the grenade in Northumberland.

Zoe Evans trial: no verdict

JURORS in the trial of Miles Evans for the murder of Zoe Evans, 9, failed to reach a verdict on the second day of their deliberations at Bristol Crown Court yesterday. The army private, 24, of Warminster, Wiltshire, denies murdering his step-daughter last year. The jurors resume their deliberations today.

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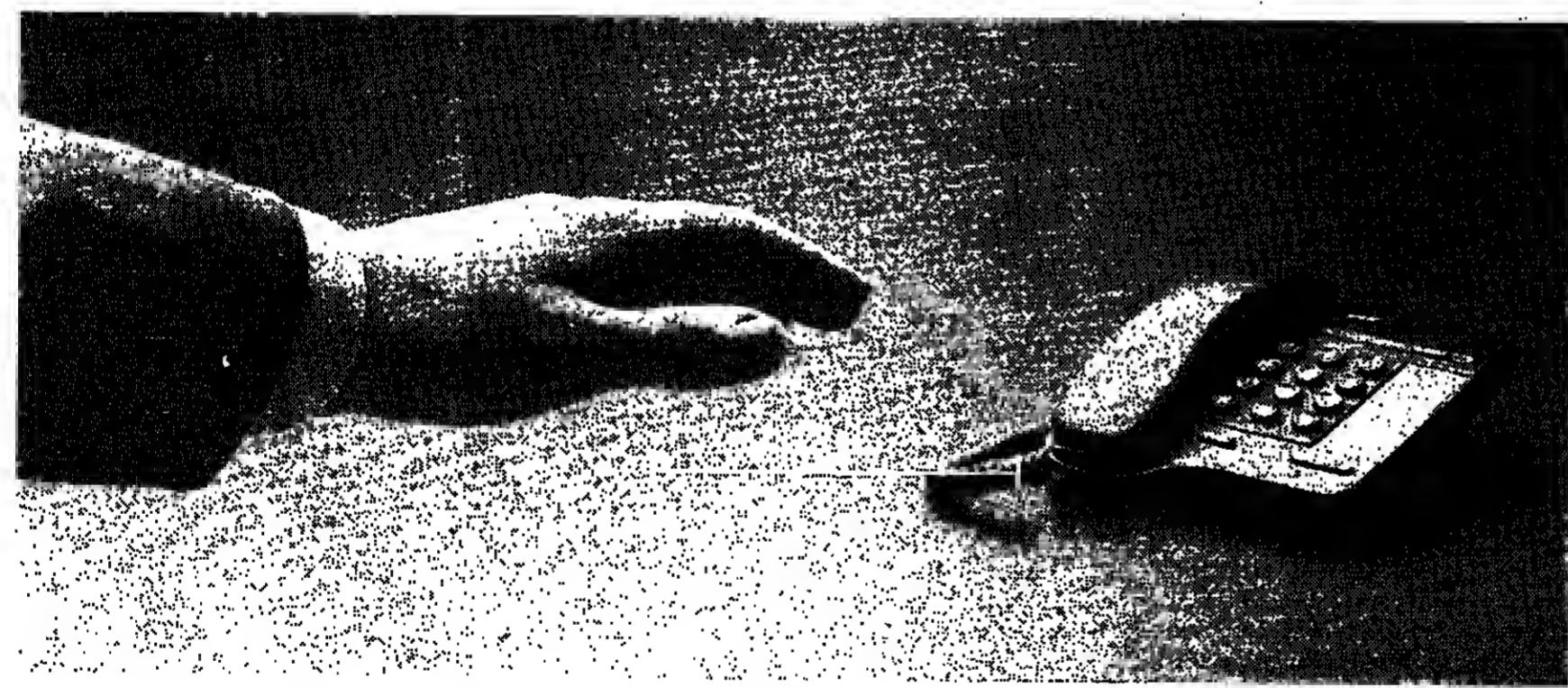
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**Straw in humour shock**

HOLD the front page! The Home Secretary has a sense of humour. This was confirmed yesterday when he rang one of Pandora's colleagues to say that he had ordered a leak inquiry into the source of our April Fool's Day spoof story, Deadpan, he said that a plan to choose "People's Lords" by lottery was about to be announced. "We will have to establish a leak inquiry into how you obtained this information. These minutes are circulated to a limited list of only 10 officials, so I am carrying out a full inquiry straight away," Jack Straw said. He then admitted he was joking.

Unfortunately, the joke would have fallen a bit flat over at the newsdesk of the *Times* and the *Daily Mail*. Both phoned their Westminster correspondents at midnight on Tuesday when they saw the first edition of *The Independent*, and demanded to know why they did not have this story?

Now concentrate ...

A FRIEND has sent The Box a rather clever maths puzzle that is currently buzzing around the Internet. Follow these six steps, and do not peek at the answer at the bottom of this column.

1. Pick a number from one to seven.
2. Multiply your number by 2.
3. Add 5.
4. Multiply the result by 50.
5. If you have already had your birthday this year, add 1748. If you haven't, add 1747.
6. Final step: subtract the four digit year that you were born.

Now read on and you shall have this last three digit number explained to you in due course.

Lording it down at B&Q

LORD Mackay of Clashfern, Derry Irvine's predecessor as Lord Chancellor, has been eagerly sought by hacks who want

to ask him questions about his old Westminster flat and the timing of plans for its refurbishment. But Lord Mackay has succeeded in eluding all, including Pandora. However, another witness has come forward who definitely recalls that he had his rooms redecorated when he took office in 1987 because he found them unpleasantly redolent with the smell of the dogs owned by his predecessor, Lord Hailsham (above). In fact some of the wallpaper Mackay chose was decked with pineapples and definitely Puginesque! Could it be that Lord Mackay was an avid DIY decorator who purchased and installed this himself? If you are reading this, Lord Mackay, please ring Pandora at your earliest convenience.

MoD playing with fire

IN the meantime, I have learned that Lord Irvine's hunger for fine art is far less voracious than that of the Ministry of Defence, which has so many pictures that it doesn't know where they all are. Recently John Spellar, defence minister, instigated an inventory of the MoD's walls. A total of 166 out of 204 works of art could not be found. But some works of art have been removed from this list of missing pictures on the grounds that they were not "art" at all. This includes a cartoon from the Sun. Isn't this last deletion, from New Labour's favourite newspaper, just a bit risky?

Now that's tacky

FORGET about the margarine. If you're on a quest for the crass and vulgar, you've got head for New York City. The *New York Post* this week revealed that a new delicatessen had opened on the Lower East Side called "Diana-Dodi". Its owner is a native of Alexandria, Egypt, in common with Mohamed Al Fayed, although Abdel Rahaman has never met Al Fayed, his son or the Princess of Wales. His counter manager explained that, "Dodi was a very good businessman and he was from a very good family. He's an example for young people".

Here is the AMAZING SOLUTION to the maths puzzle given above. Look at the number you obtained from your final computation. The first digit is your original number. The second two digits are your age. Pandora has been assured that this is the only year it will ever work.

Pandora

DAILY POEM**Complaint and Rejoinder**

B. Denise Leverton

There's a kind of despair, when your friends are scattered across the world; you see how therefore never is there a way each can envision truly; the others of whom you speak. Oceans divide your life, you want to place all of it - people, places, their tones, atmospheres everything shared uniquely with each - into a single bowl, like petals, like sand in a pail. No one can ever hear or tell the whole story.

And do you really think this would not be so if you lived all of your life on an island, in a village too small to contain a single stranger?"

This poem comes from *Sands of the Well* (Bloodaxe, £8.95), the final volume completed by Denise Leverton. Born in Essex in 1923, Denise Leverton moved to the US in 1948, where she published 14 poetry collections and worked as a campaigner for civil rights and against war and nuclear weapons. Bloodaxe also publishes her book of memoirs, *Tesserae*.

Wren reveals colonel's love letters

A SENIOR Wren was yesterday accused of breaking up families and continuing relationships with up to six men, as she kept an affair alive with her former boss.

Lieutenant Commander Karen Pearce wrote "intimate letters" to married men during her three-year affair with the high-ranking Army officer, his court martial was told.

But Lt-Cdr Pearce denied having any affairs, except for a brief fling with a fellow naval officer in Malta, before her relationship with Lieutenant Colonel Keith Pople ended in 1996.

Yesterday, on the second day of his court martial, Lt-Cdr Pearce, 34, read out love letters and poems said to have been sent to her by Lt-Col Pople.

The letters told of Lt-Col Pople's passion for his former junior, in a key Ministry of Defence team, and how he planned to leave his wife for her. Other letters sent to friends of the Wren charted the increasing bitterness after their break-up. One described her as "so lovely but almost the most duplicitous person I have ever known".

Lt-Col Pople, 42, sat with his head in his hands as the intimate contents of the letters were read to the hearing at Aldershot, Hampshire. His



Words of love:
Lt Col Keith
Pople (left) sat
with his head
in his hands as
intimate
letters to
Lt-Cdr Pearce
were read out
at his court
martial
yesterday



day afternoon by Ryddion Willis, counsel for the defence, about her relationships with married men.

Lt-Cdr Pearce admitted that her relationship with a married Royal Marine major had prompted gossip in the wardroom of the aircraft carrier HMS *Illustrious*, on which she served in 1995.

As she started her sexual relationship with Lt-Col Pople the court mar-

tial heard that she also befriended Lt-Col Tim Moore, an American assistant air attaché. She admitted going to dinner and nightclubs with him and that he had stayed the night at her home.

But Lt-Cdr Pearce, of Nyewood,

West Sussex, said: "I was 100 per cent loyal to him [Lt-Col Pople] right up to February, 1996. My relationship with Colonel Moore was and is purely platoonic."

She said that she also met a married Royal Marine major in 1992 and later served with him on HMS *Illustrious* at the height of her affair with Lt-Col Pople.

Miss Willis said: "Why were you forming such a close relationship with another married man at that time?"

Lt-Cdr Pearce replied: "We were good friends, it's no more than that." And she denied wanting a sexual relationship with him.

Miss Willis said that one reason why the couple split in June 1996, was because Lt-Col Pople discovered a drawer full of letters from other men underneath her bed. Miss Willis asked if at any time she had mentioned the correspondence with "five or six close male friends" to Lt-Col Pople.

When the couple split, Miss Willis said Lt-Col Pople told Lt-Cdr Pearce that "he had left his wife, he had left his family for you and he was disappointed that you had received this other correspondence".

But Lt-Cdr Pearce said he had broken off their affair because he claimed he could never make her happy. She said she had never told him about the letters as they were only from friends.

The hearing continues.

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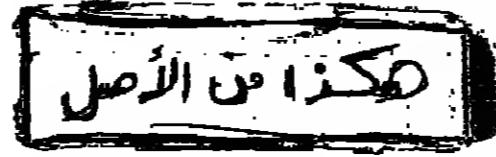
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On file: your achievements from cradle to grave

The Government is to consider compiling an electronic profile of everyone's education and experience. Judith Judd and Ben Russell report

WHAT would be on the electronic curriculum vitae for every individual proposed in a report commissioned by the Government?

Plans will be unveiled at a conference today, sponsored by *The Independent* and *The Independent on Sunday*, for a scheme enabling personal education and eventually employment profiles to be built up, underpinning Labour's promise to promote lifelong learning. The report prepared by Tony Higgins, chief executive of the Universities and Colleges Admissions Service, will suggest that the new profiles would include examination results at least from the age of 16, such as GCSEs, A-levels, vocational qualifications, degrees, MBAs and work-related qualifications.

The profiles would also show whether people had acquired "key skills" such as numeracy, literacy and information technology. Music grades, sporting triumphs and community service might also be there along with positions of responsibility and work experience. Eventually, test results and achievements from the time of starting nursery school might be included, as well as an individual's employment record.

The report is a feasibility study and many details have yet to be considered. Would it include personal references and statements from university applicants? Qualifications would be put in automatically by awarding bodies, but would it be up to individuals to update other parts of their profiles throughout their lives?

Right, we suggest how the profiles of some well-known figures might look.



Name: Tony Blair
Age: 46
Present position: Prime Minister and Labour Party Leader.
Education: Durham Choristers School. Third in the first-year exam.
Fettes College, Edinburgh. A-levels: English, French, History
Conservative candidate in mock election.
St John's College, Oxford 1972-75 Law degree.
Work experience: Called to the Bar, Lincoln's Inn, 1976.
Practised as barrister 1976-83, specialising in employment and industrial law.
Labour MP for Sedgfield 1983. Shadow Treasury Affairs Minister 1985... Elected Labour Party leader and Leader of the Opposition 1994. Prime Minister 1997.
Other achievements: Durham Choristers School, 1965-66 Scott Cup for best rugby player.
1967 Captain of junior Colts Cricket Team
1967 Formed drama group called The Pseudos
Six months' work experience in Paris.



Name: Ann Gloag
Age: 55
Present position: Group managing director, Stagecoach Holdings Plc
Education: Caledonian Road Primary School, Perth High School.
No O-levels
Work experience: 1960-65 Trainee nurse, Bridge of Earn Hospital, Perth.
1965-69 Ward sister, Devonshire Royal Hospital, Buxton.
1969-80 Founding partner, Gloagroner. Renamed Stagecoach Express Services.
1980-83 Co-director, Stagecoach Ltd.
Other achievements: Scottish Marketing Woman of the Year, 1989
United Kingdom Businesswoman of the Year, 1989-90



Name: Richard Branson
Age: 47
Present position: Chairman and Chief Executive, Virgin Management, Virgin Retail Group, Virgin Communications, Virgin Holdings, Virgin president, Virgin Media, Virgin Books, Virgin Education, Schools, Primary School, Berkhamsted, 1958-64
Stowe School, 1964-67
Five O-levels, A-level in Ancient history
Work experience: Joined the student magazine while at school.
1970 Founded mail-order Virgin Records service
1971 Opened first Virgin record shop
1972 Founded Virgin Atlantic Airways
Other achievements:
Holder of the Blue Riband trophy for the fastest sea crossing of the Atlantic 1986
World record crossings of Atlantic by balloon 1987 and 1991
Honorary Professor, University of Technology, Singo Keio University, Japan
Honorary Japanese citizen



Name: David Morris
Age: 46
Present position: Director, Virgin Management, Virgin Retail Group, Virgin Communications, Virgin Holdings, Virgin president, Virgin Media, Virgin Books, Virgin Education, Schools, Primary School, Berkhamsted, 1958-64
Stowe School, Weston-super-Mare, 1964-67
Two A-levels
National Council for the Training of Teachers, 1972
Work experience: 1980-85 reporter, *News on Mercury*, 1985-87 Reporter for *Mercury*, for BBC Radio 1, 1987-88
BBC News, 1988-90
BBC Presenter, BBC News, Also Holiday programme, *Crimewatch UK*, Summer 1990
Song of Praise
Other achievements: Western Attic, 1980
Music Society
1985 National Federation of Students' Councils Man of the Year
Works to promote heart charity

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Graduates naive about life in the career jungle

By Barrie Clement
Labour Editor

GRADUATES are increasingly keen to "get a life" as well as "get on", but they are naive about the world of work, according to an organisational psychologist.

Degree holders will be committed to their employers but they are not interested in working long hours, says Doctor Jane Sturges of Birkbeck College, University of London.

Research by Doctor Sturges to be released today at the Institute of Personnel and Developments' Human Resource Development Week suggests that they could be in for a shock.

"They want challenge and responsibility, but seem unaware of what really matters at work - knowing how to pick your way through the political minefield for example, and the fact that long hours are often perceived as necessary to get on.

They just aren't ready for the office jungle. Reality is going to bite in a big way," Doctor Sturges said. Yet the psychologist feels that graduates' idealistic views may change once they have started work: "I feel that the majority of graduates are basically naive. There is a big gap between their expectations and the realities of working life."

Preliminary findings from her research shows that even be-

fore starting work, degree holders are determined not to sacrifice their lives for their careers. "They are very committed to the companies they are working with, but they don't want to work long hours. In fact, they are more likely to be appreciated for working hard than for working around the clock."

The study showed that the graduates were less interested in money or even promotion than being intellectually stimulated, given responsibility and working with people they like.

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have been out of work for six months, still needs to be convinced that the scheme will help them find work.

The study, conducted for the trust by the Employment Policy Institute, showed that although young people welcomed the scheme, they were not sure it would offer them a full choice of "quality options" leading to sustained employment.

In areas of high deprivation and low job creation, youngsters were particularly cynical. More than 70 per cent said they wanted to be offered a job rather than be placed on any of the other three options, which involve membership of the Government's environment task force, work with a voluntary organisation or full-time education and training.

The views of young people in *What Works? New Deal?* were gathered in seven areas throughout the United Kingdom, five of which were piloting the new scheme.

John Philpot, director of the Employment Policy Institute, said there was a clear desire among young people for "proper jobs with proper pay".

Education + and Fasttrack in The Eye

Dress up like a boxer in bed to avoid wrinkles

Rally driver 'adamantly' denies shunting death-crash car

A RALLY driver accused of killing a young couple by shunting their car across a central reservation "adamantly" denied at the Old Bailey yesterday that he had touched their vehicle.

Jason Humble admitted he

was angry at the "immature" way the driver of a black Fiesta was blocking him on a dual carriageway. "Just the way he was carrying on I thought an accident was inevitable somehow.

I just wanted to get by and get on with my journey," Mr. Humble told the jury as he started to give evidence in his defence.

He added: "I did feel hostility towards him. I admit that."

Mr. Humble, 33, from Farnborough, Hampshire, has denied the manslaughter of Toby Exley,

22, and his girlfriend, Karen Martin, 20, on 6 October last

year. He has also denied causing their deaths by dangerous driving.

Mr. Humble said he was dri-

ving home on the A316 Great Chertsey Road in west London, on his way to the M3, when he first encountered the Fiesta. It had cut across his path at a roundabout, he said. The Fiesta was then ahead of him in the outside lane. Other cars started to accelerate gradually past a speed camera "but he just stayed there. I did not know whether he had a problem". He tried to undertake but he did not have enough room.

The Fiesta accelerated and he was unable to get by, he said, adding: "I thought he was very immature because he blocked me."

He added: "I was not aware of my car making any contact with the rear of the Fiesta. I vaguely suggested there was a minute possibility when interviewed [by police]. I just felt guilty with everything that was happening. I suggested it - but I am adamantine. I did not touch it."

The case continues.

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THE BEST 4X4XFAR

Lawyer's sinister death that still haunts Ulster

The Finucane killing is still causing controversy, writes David McKittrick



The murdered Belfast solicitor Pat Finucane, leading his acquitted republican client, Pat McGowen, from a Belfast court

Photograph: Peter Macdiarmid

POLICE and republicans alike could scarcely believe it: Pat McGowen had got off. A republican legend within both the IRA and Sinn Fein, it seemed certain that this time he was going to be put away for good.

In November 1988, McGowen, who has since died, faced charges of murder, grievous bodily harm and possession of firearms. These related to the deaths of two British Army corporals who drove into a re-

publican funeral cortege in Belfast earlier that year. McGowen, who had almost died while on hungerstrike, was also believed by the intelligence community to be a senior figure in the IRA, at one stage acting as its Belfast commander. The security forces were dismayed, and republicans delighted, when at a preliminary inquiry all charges were dismissed and he walked free from the court with his solicitor, Pat Finucane.

Four months later in February 1989 Mr Finucane, one of the best-known solicitors in Belfast, was killed in his north Belfast home by three loyalist gunmen who, in front of his family, shot him 14 times. Within hours the killing was surrounded by political controversy and calls for inquiries, controversy which has deepened over the years.

The first point of controversy arose before the killing took place. In the previous month

Douglas Hogg, then a Home Office minister, caused a stir when he said in Parliament: "I have to state as a fact, but with great regret, that there are in Northern Ireland a number of solicitors who are unduly sympathetic to the cause of the IRA."

His comments were condemned at the time by Seamus Mallon, the Social Democratic and Labour Party MP, who said they could lead to an attempt on the life of a solicitor. Mr Mallon said it would be "on the minister's head and on the heads of this government if an assassin's bullet did what his words had done". This exchange was instantly recalled when Mr Finucane shot.

Although there were hundreds of solicitors in Belfast, only a handful of firms were regarded as regularly specialising in cases involving republican and loyalist suspects prosecuted under anti-terrorist legislation. Mr Finucane's company prominent was among these.

Although he defended several loyalist clients, he attracted particular attention with high-profile performances as lawyer for figures such as McGowen and hunger striker Bobby Sands. He also played a leading role at one of the highly publicised inquests into the deaths of republicans killed by police units in the "shoot-to-kill" cases later investigated by John Stalker, former deputy chief constable of Greater Manchester.

Mr Finucane's public identification with big IRA cases would have been enough in itself to attract loyalist attention, but after his death Ulster Defence Association sources made the claim that police had in effect encouraged them to target him.

They alleged that this took place when a number of UDA members were held at Castle-reagh interrogation centre in

More information on the Finucane killing emerged years later during the Nelson case, when it was revealed that Brian Nelson, a UDA "intelligence officer", had been planted within the organisation by the Army. Nelson was later jailed for 10 years for involvement in murders.

The military intelligence version of the episode was that he had overstepped the mark and instead of reporting back on loyalist violence had become drawn into it. But the allegation, which has been revived this week, is that elements in military intelligence were using Nelson to help direct the UDA towards certain targets, one of whom was possibly Pat Finucane.

Nelson was not charged in connection with the Finucane killing, but while in custody he wrote that he had informed his Army "handlers" that one of the leaders of the UDA's assassination teams had asked him to gather information on Mr Finucane. He passed on the accompanying photograph, and four days later the lawyer was killed.

The questions raised by this sequence of events have influenced successive legal missions which had examined the Finucane case. They also help explain why many observers regard the case as one of the important cases of unfinished human rights business left over from the height of the Troubles.

Britain rejects UN call for judicial inquiry

THE GOVERNMENT yesterday rejected a UN report's call for a judicial inquiry into the 1989 murder of Belfast lawyer Pat Finucane, saying that such tribunals were reserved only for matters of urgent public importance, writes David McKittrick.

It also reacted coolly to the call for an investigation into alleged police harassment of defence lawyers, though it conceded that this was a matter of considerable concern.

The responses followed publication in Geneva of the report, which was drawn up for the United Nations Human Rights Commission. Its author is Malaysian jurist Param Cumaraswamy, who is the Commission's special rapporteur on the independence of judges and lawyers.

The killing of Mr Finucane, who met his death at the hands of loyalist gunmen, has for years been the subject of allegations of security force collusion. The UN report warned: "So long as this murder is unresolved, many in the community will continue to lack confidence in the ability of the Government to dispense justice in a fair and equitable manner."

The Government responded that an RUC inquiry into his death had been followed by another carried out by a senior English policeman, John Stevens. It said the Northern Ireland DPP had concluded there was insufficient evidence

to warrant any prosecution, adding: "Unless new evidence is brought to light there can be no justification for another inquiry, although the police file remains open."

On allegations of hostile police treatment of lawyers who specialise in defending republican and loyalist suspects, Mr Cumaraswamy concluded: "The RUC has engaged in activities which constitute intimidation, hindrance, harassment or improper concern." Among other suggestions, he recommended that the RUC should as a matter of urgency organise training seminars for police officers to sensitise them to the important role of defence solicitors.

Describing this as "obviously a matter of considerable concern," the Government asked to be provided with specific details of the allegations made to the UN, adding: "If there is new evidence we will want to ensure that this is looked into."

■ Mo Mowlam, the Secretary of State for Northern Ireland, yesterday told a committee of MPs that the RUC had to change as part of the peace process to end hostility over symbols, including its "Royal" title, writes Colin Brown.

She said that the force's name would stay the same for the time being, but added: "We are trying to put issues on the agenda, but we don't want to fight over the symbolic ones. We want evolutionary change so that these follow on naturally."

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9/NEWS

THE INDEPENDENT
THURSDAY 2 APRIL 1998



At risk: Fahim Manji, 12, is receiving chemotherapy while doctors search for a bone-marrow donor

Photograph: Nicola Kurz

£100,000 needed to save life of leukaemia boy

By Jeremy Lawrence
Health Editor

A FAMILY fighting to save the life of their 12-year-old son who has leukaemia face a bill of up to £100,000 to pay for his treatment.

Without the money Fahim Manji, who is being treated at the Royal Free Hospital, London, may be denied the bone-marrow transplant he needs. He has already had two courses of chemotherapy but a month ago doctors found that the disease had spread to his spinal fluid, indicating a relapse.

He is now undergoing further chemotherapy to clear the leukaemia cells while doctors search for a bone-marrow donor. Dr Michael Potter, consultant haematologist, said: "It is his best hope."

The family, who are from Tanzania, are not eligible for National Health Service treatment. They mortgaged their house for £10,000 before travelling to Britain last June in the belief that it would be more than enough to pay for treatment.

After articles appeared in *The Independent* and the *Harrow Observer*, which launched an appeal on their behalf chaired by the mayor of Harrow where the family is staying with relatives, they raised £35,000 which has covered the cost of Fahim's treatment so far.

A bone-marrow transplant, which involves up to six weeks in

hospital and six months' recuperation, will cost another £50,000-£80,000. In addition, the cost of finding a donor, paying insurance and other costs is up to £20,000.

Dr Potter said a search of the worldwide bone-marrow register had disclosed one provisional match but further tests were required. "We can't guarantee that a transplant would cure him but it would reduce the chances of the leukaemia com-

'The doctors have made it clear we need to raise the money immediately'

ing back. Without it there is a high chance he will have another relapse."

If the money could not be raised, it was uncertain whether the transplant could go ahead, he said. "At the moment his treatment is secure. Obviously, we have an obligation to treat people who are acutely sick. But once he is well again and the issue of the transplant comes up then it will be very difficult... I am not sure what will happen."

Fahim's parents, Amin, 36, and Nasim, 38, who run a salt mine in Tanzania, decided to bring their son to Britain when they were told the treatment he needed could not be provided at home. Over the last nine months, they have tried every avenue to raise money.

Mrs Manji, speaking from her son's bedside, said: "Fahim was happy and well and going to school and then suddenly this happens. He has completely changed. From being a talkative boy he has become very quiet and withdrawn."

Mr Manji, who has been denied a work permit to allow him to support his family, said: "It is very discouraging but there is still hope. The doctors have been so kind and they are optimistic. They have made it clear we need to raise the money immediately."

He said even if he had sold everything he owned in Tanzania, it would have raised less than £20,000. After the article appeared in *The Independent* last June, he received more than 100 letters, one containing a cheque for £10,000 and several others with cheques for £500. "It was marvellous. People have been very kind-hearted."

He does not know what will happen if they cannot raise enough for the transplant. "I have a boy who is sick, a hospital that is asking for money and a home to support. I have been in the graveyard for the last nine months. But there is a light at the end of every tunnel - if Fahim gets better, that is what we are hoping."

Donations may be sent to the Fahim Manji Appeal, 326 Station Road, Harrow, Middlesex HA1 2DR.

Lawrence killing: Police failed to stop racists' car

By Kathy Marks

SHORTLY after Stephen Lawrence was stabbed, police saw a car full of jeering white youths, including three known racists, twice drive past the murder scene, the inquiry into his death was told yesterday.

But although officers concluded that the youths were behaving suspiciously and passed on details of their red Y-registration Vauxhall Astra over the police radio, the car was not stopped until more than a week later, the inquiry heard.

It was later established that the car's occupants on the night that Stephen, 18, was stabbed to death at a bus stop in Eltham, south-east London, included Daniel Copley and Jason Goatley, who had been convicted in 1991 of offences connected with the murder of Roland Adams.

Rolan, a black 15-year-old, died of stab wounds after he and his brother, Nathan, 14, were attacked by a gang of 15 white youths while on their way home from a youth club in Thamesmead, south-east London. Another occupant of the car, the

inquiry was told, was Kieran Hyland, a "leading light" in a racist organisation called Nazi Turn Out, known as NTO, which was active in nearby Eltham, where Stephen was killed.

Sergeant Andrew Hodges, a member of a Territorial Support Group unit, said he saw the Astra - containing five white youths who were "laughing and joking"

- drive past the scene of Stephen's murder just after he had helped to cordon it off. A few minutes later, the car drove past again in the opposite direction. Under cross-examination by Michael Mansfield QC, counsel for the Lawrence family, Sgt Hodges agreed that no attempt was made to flag it down.

Five white youths were eventually charged with Stephen's murder, but the case did not reach trial and a private prosecution by his family was unsuccessful. The inquiry is examining issues arising from his death.

Sgt Nigel Clement, who was with Sgt Hodges and radioed the Astra's details, stopped the car - then containing just Daniel Copley and Kieran Hyland - when he spotted it in the area

eight days later. But he told Ian McDonald QC, counsel for Duwayne Brooks, a friend of Stephen's who was with him when he was attacked, that he knew nothing of the two youths' backgrounds, nor of that of Jason Goatley, until yesterday. "What you are telling me now is the first indication that I am aware of," he said.

John Sentamu, Bishop of Stepney and a member of the inquiry panel, asked Sgt Clement why other police vehicles at the murder scene did not set off in pursuit of the Astra. "Why did it not happen?" he asked. "Why did someone not say 'We've seen five youths, let's get after them'?"

Sgt Clement replied: "It's hard to say. In an ideal world, that vehicle would have been stopped on the night, and it would have been a great help to us."

Inspector Steven Groves, the senior officer first in charge of the murder scene, told the inquiry that he knew nothing about the Astra. "I don't recall the car, or being told about it," he said.

The inquiry continues today.

Fog fools drivers into going faster

FOG clouds the brains of motorists and makes them think they are driving more slowly than they really are, scientists said yesterday. The illusion causes motorists to speed up, sometimes with tragic consequences.

Pile-ups on foggy motorways are often blamed on people driving too fast for the conditions. But according to researchers at the University of Wales, Cardiff, "motorway madness" may be due to an inbuilt inability to judge speed in the fog.

A team of psychologists, led by Robert Snowden, simulated the view from a vehicle moving along a road to show how perception changed in different conditions.

Tests showed that the subjects perceived the landscape to be moving more slowly in "misty" or "foggy" scenes than when the road was clear.

In another experiment, subjects were asked to "drive" a simulated vehicle at set speeds along a winding road.

They were found to speed up as conditions switched from "clear" to "misty" and "foggy".

Writing in the journal *Nature*, the researchers said: "Many horrendous vehicle accidents occur in foggy weather. Drivers know they should slow down because fog reduces visibility, but many still drive too quickly."

The "blame" for many such accidents may be due to a perceptual quirk: it appears that drivers think they are driving far more slowly than they actually are in foggy conditions, and therefore increase their speed."

Teachers warn of strike over holiday changes

TEACHERS' leaders yesterday warned that moves to extend the school year would provoke strike action, writes Ben Russell.

Nigel de Gruchy, general secretary of the National Association of Schoolmasters Union of Women Teachers, said altering the three-term year would be "the last straw that breaks the camel's back".

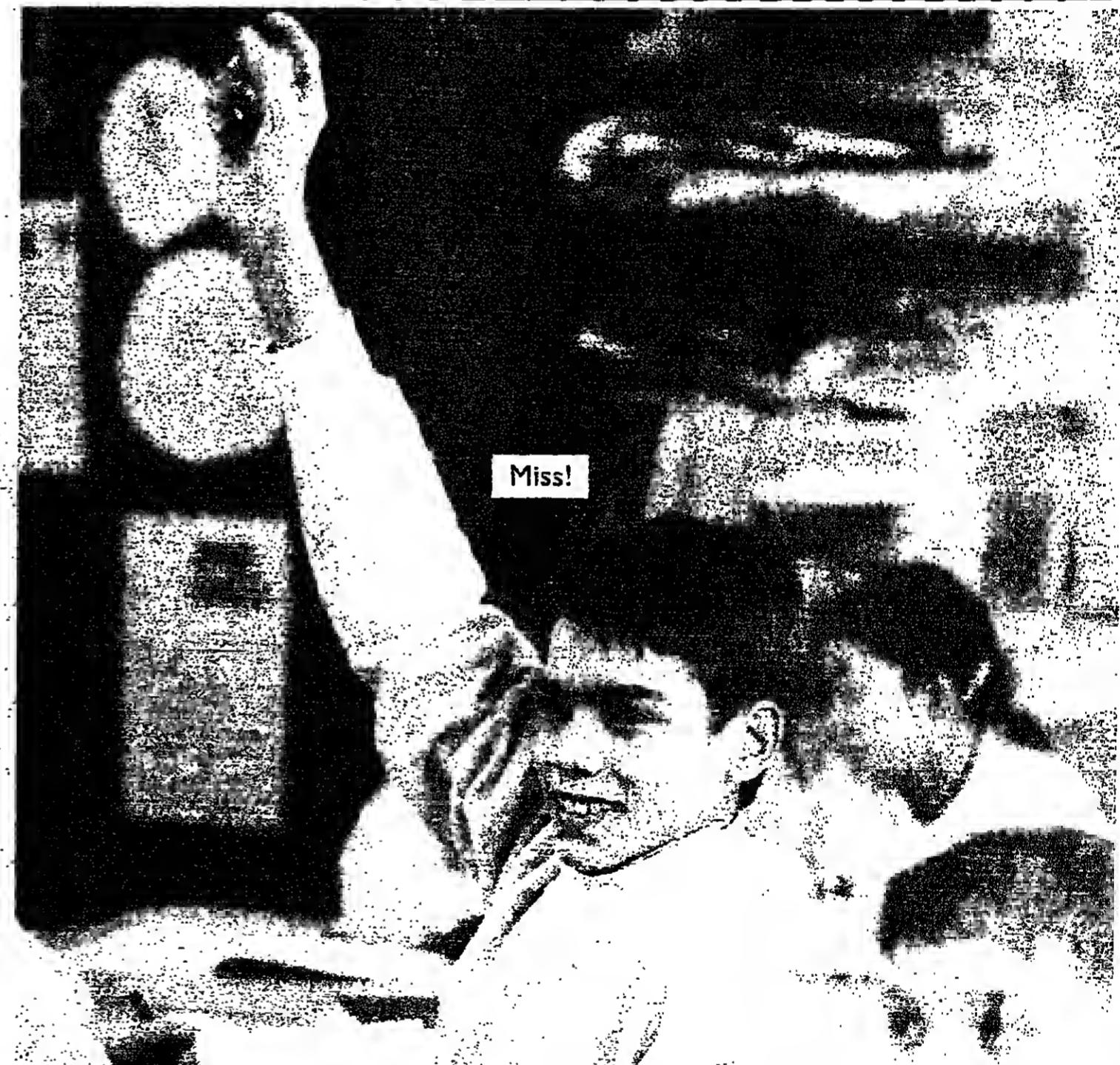
Margaret Hodge, chair of the Commons education select committee, advocated ending long summer holidays in favour of a four- or five-term year earlier this month.

Local government leaders have also come out in favour of change, to spread holidays more evenly throughout the year.

But Mr de Gruchy said: "This is in response to Margaret Holiday Hodge. It's a load of baloney. If people want to have children that's fine, but I do think there's some onus on parents to spend some of their time with them. People cannot expect schools to bring them up entirely. This is an issue teachers are fed up to the back teeth with."

Mrs Hodge has argued that teachers should have more help with administration in return for extending the 38-week school year.

NASUWT members are expected to debate a motion condemning any changes at their annual Easter conference. The union leadership is awaiting the result of a ballot on industrial action over what it claims is excessive bureaucracy in schools.



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Cook's stars to push cool Britannia

By Fran Abrams
Political Correspondent

ROBIN COOK appeared faintly embarrassed by his new role as "Mr Cool Britannia" yesterday as he launched a panel of experts charged with transforming the nation's image abroad.

"Actually, I personally find 'Cool Britannia' a great ice-cream and I recommend it," Mr Cook said, adding that he should not be endorsing an American product made by Ben and Jerry.

But despite its public unveiling on the morning of 1 April, the exercise was an entirely serious one, the Foreign Secretary maintained.

The group of 33 men and women from the worlds of fashion, business, sport and the arts set out to convince the world that the UK had more to offer than old buildings and traditions.

"The picture many have of us is out of date. Some see us as we were 20 years ago, stuck in decline. Some see us as no more than the sum of our past - a heritage theme park of castles and villages."

"All too often our innovativeness and creativity in IT, design, business and a range of other areas is insufficiently widely recognised," he said.

Mr Cook highlighted the Foreign Office's existing use of modern technology, including satellite television, to get its message across.

No blame for Prescott

By Anthony Bevins
Political Editor

JOHN PRESCOTT was vindicated for the second time in three weeks yesterday, when the Commons Standards and Privileges Committee rejected a Conservative complaint about the non-declaration of a cash donation.

The complaint made by Sir Norman Fowler, the Tory spokesman on the environment, transport and the regions, related to donations of £49,667 from the Joseph Rowntree Reform Trust for work done on Labour's regional development policies, in opposition.

Payments received in 1995 were declared by Mr Prescott in the Register of Members' Interests; payments received in 1996 were not declared.

Sir Gordon Downey, the Parliamentary Commissioner for Standards and the Commons investigating officer, told the committee that the rules on registration were clear on one point: "that there should be an element of personal payment, benefit or advantage."

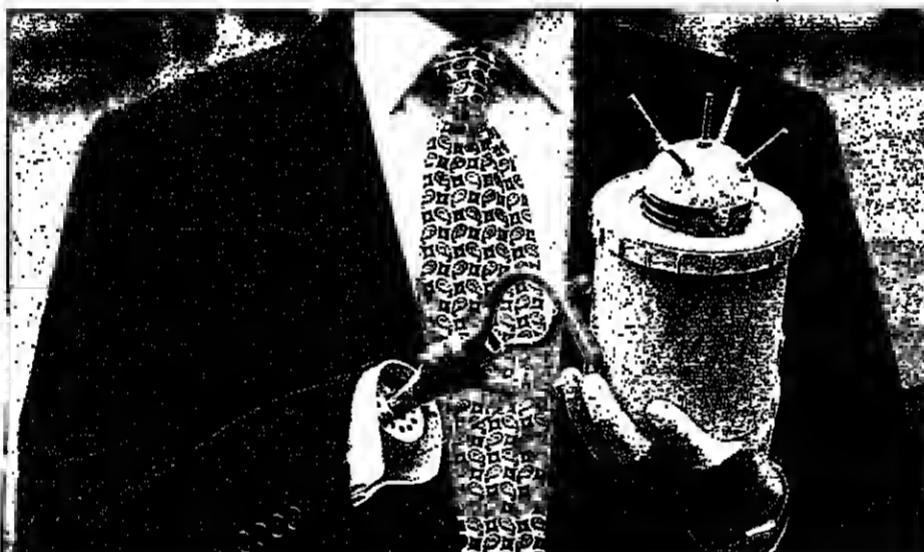
In the recent case relating to Tony Blair's family visit to Silversestone, it was ruled that there had been a benefit and the visit should have been declared by Mr Blair when he was opposi-

tion leader. But Sir Gordon said that Mr Prescott had derived no personal financial gain from the donation - nor had he gained an advantage as an MP or a shadow minister because, at the time, he had been acting as deputy leader of the Labour Party, with no responsibility for the regions.

"In my view, therefore," Sir Gordon said, "the donations were not registrable. It follows that Mr Prescott erred on the side of caution (which, generally speaking, is not to be discouraged) in registering the donation in 1995, and should not be criticised for omitting to do so in 1996."

Government auditors last month cleared the Deputy Prime Minister and his son of any impropriety over the sale of houses in Hull to a firm in which his son had an interest, and yesterday's verdict by Sir Gordon and the committee was welcomed by Mr Prescott, who said that both allegations had been raised in reports carried by the *Sunday Times*.

Yesterday, he said: "It has not been a pleasant experience either for me or for people close to me. I just hope that the *Sunday Times* will now have the decency to correct their factual inaccuracies."



Lethal weapon: Former soldier Chris Moon, who lost his lower right leg and arm in an explosion in Mozambique, holds a replica of a landmine outside the Imperial War Museum yesterday. The museum is running a project with the UN to show examples of anti-personnel landmines

Diplomat in landmine crash

By Billielette

A BRITISH diplomat in Cambodia was injured yesterday when the helicopter he was travelling in crashed-landed on a landmine.

Lawrence Pickup, Britain's number two in Phnom Penh, suffered minor cuts and bruises when he and a number of journalists were sent tumbling from the Cambodian army helicopter. Foreign Office officials said the deputy head of mission appeared to have had a lucky escape.

Mr Pickup had been travel-

ling in the north of Cambodia, close to the Thai border, to interview defected Khmer Rouge guerrillas, when he believed might have had information about the missing landmine clearance expert Christopher Howes.

Mr Howes, from Bristol, went missing two years ago when he was seized by gunmen, believed to belong to the rebels. Defecting Khmer Rouge guerrillas gave up control of the ancient Preah Vihear temple to government forces earlier this week, and the official hoped

someone might have information on Mr Howes.

The MI-8 transport helicopter was coming in to land at the mountain-top Preah Vihear ruins on the Thai border when it became entangled in wire and crash-landed. The aircraft's tail then set off a landmine, an airforce official said. The aircraft was apparently beyond repair.

The news of the accident comes as Foreign Secretary Robin Cook last night opened an exhibition dedicated to depicting the human cost of the use of landmines.

Ryan's mum was in an accident. Ryan carries the scars.

Last year, when Ryan was 12, his mum was knocked down by a hit-and-run. When she came out of hospital, she was too poorly to look after Ryan, or his little brother. Ryan had to take care of them both.

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Working hours law will be set in stone

By Barrie Clement
Labour Editor

THE Government yesterday pledged that millions of workers will enjoy new rights over their working time under a European directive amid suspicions that the law might be watered down.

Ian McCartney, trade minister, insisted that no one would be forced to work more than 48 hours a week after 1 October and that there would be no "loopholes".

Mr McCartney's comments came after a senior left wing lawyer argued that while there would be no compulsion to work longer hours, the Government would leave the way clear for companies to negotiate extended working time.

The row over working hours erupted ahead of a critical meeting last night between union leaders and Mr McCartney together with Margaret Beckett, President of the Board of Trade, over the proposed legislation on union recognition. Trade unions are concerned that the Government will introduce a law for employers which would make recognition difficult to achieve.

The union delegation, lead by John Monks, TUC General Secretary, urged ministers to honour the spirit of Labour's election manifesto. However, the final decision on the contents of the White Paper "Fairness at Work", will lie with the Prime Minister.

The Government could face with a high profile strike over union recognition in the run-up to the publication of the White Paper. The dispute involving the Amalgamated Engineering and Electrical Union goes to the heart of a row between old and new Labour ministers over how far the laws of recognition should go.

ADT Fire And Security, a newly merged company, has decided to withdraw representation rights from the union on the basis that it only covers an alleged 7 per cent of the total 4,400 work force. The union claims that it represented 90 per cent of engineers at one of the businesses and more than half at the new group.

Meanwhile, in the debate over working time, Mr McCartney said that three million workers would enjoy a minimum of three weeks' paid leave from October, rising to four weeks from next year. The Government is to reveal details of its plans to introduce the working time directive next week.

The minister said he would be putting forward comprehensive proposals to protect workers so that no one was forced to work unsocial hours. However, on BBC Radio 4's *Today* programme, John Hendy, a leading barrister, said he believed it would not be difficult for employers to win the agreement of employees to work longer hours despite the directive. He said the full protection needed to be imposed by law and that it would be "very unsatisfactory" if the Government allowed employers flexibility.

Roger Lyons, leader of the MSF union, said thousands of workers died every year as a result of long hours and more protection was badly needed.



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Working hours law will be set in stone

Secrets frozen in amber for 50 million years

THERE is a may-fly, supposed to live for a day, which has survived for 54 million years, its fragile wings still spread as if in flight. There is a bizarre creature, half cockroach, half praying-mantis, which defeats all scientific classification.

There are two midges frozen in the act of making love, a coitus interruptus which has lasted for 500,000 centuries. There are ancient ants, bees, wasps, termites, ear-wigs, beetles, all from species previously unknown, all minutely and perfectly preserved in amber found in a sand-pit in Picardy, 50 miles north of Paris.

So far 10,000 pre-historic insects have been recovered from this entomological goldmine, all from extinct and unknown species. At least 500 types have been identified and there may be many to come. The sand-pit is thought to contain as much as 30 tonnes of amber, of which only 1 per cent has been recovered so far.

It is a find of immense scientific importance, because the insects come from a period which is a closed book to entomologists: 10 million years after the disappearance of the dinosaurs but before the development of insect and animal life as we know it today. "It is, if you like, a missing link," said Dr André Nel, of the Natural History Museum in Paris, who is leading the team recovering and classifying the insects.

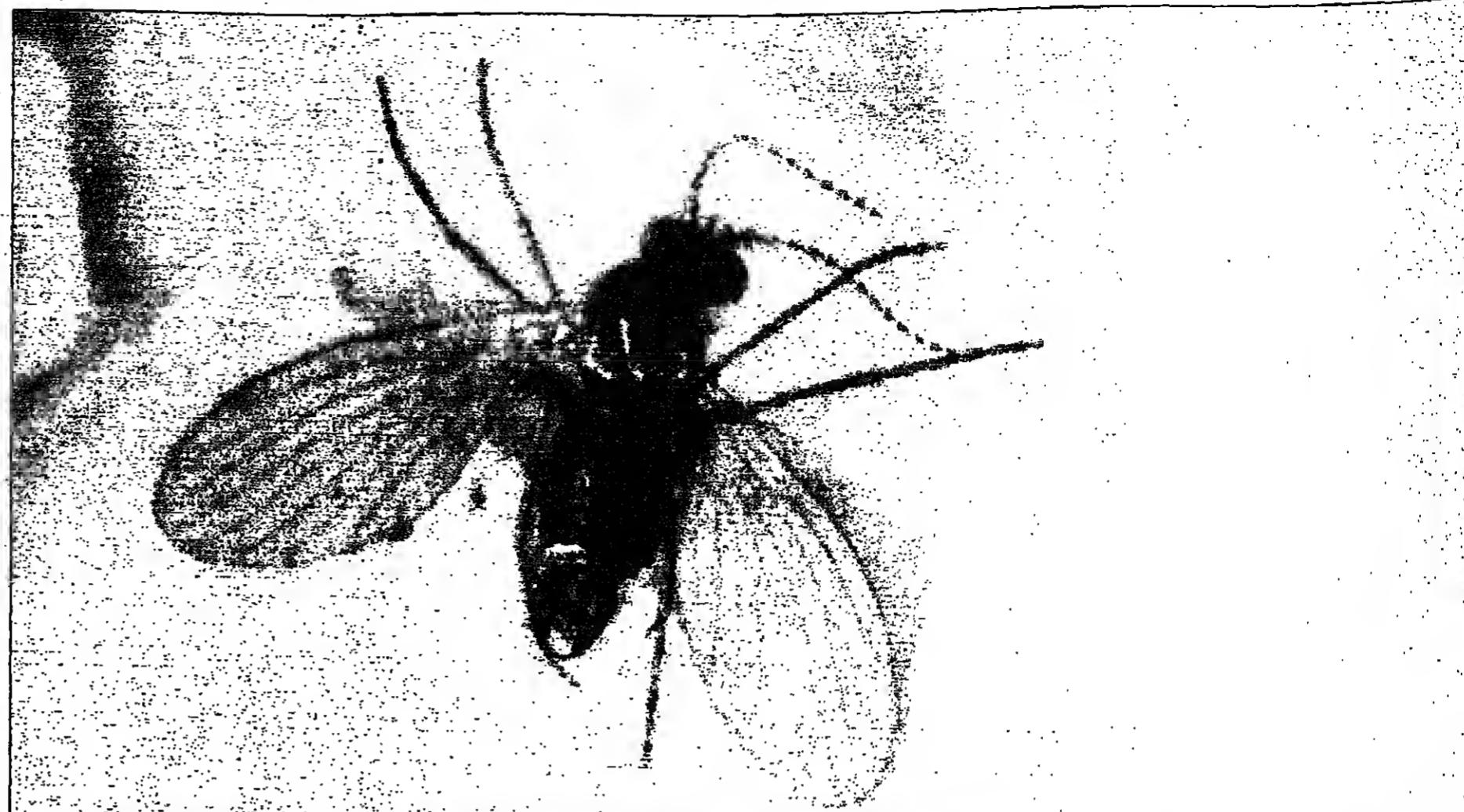
Until this week, it was uncertain whether the sand-pit itself would survive beyond this month. The former British

gravel and sand extraction company, Redland, now part of the French group, Lafarge, was due to abandon the pit next week and allow the ground water to rise, concealing the remaining amber. The company has now agreed to make a generous contribution to the scientific investigation of the site, including paying for pumping water from the pit until at least October.

Amber comes from the resin of trees and plants, buried between layers of sediment or sand and then fossilised over thousands of centuries. Any insects trapped and drowned in the resin are preserved forever. Similar finds have been made all over the world. (The scientifically dubious plot of the book and movie *Jurassic Park* is based on the notion that dinosaurs could be recreated from the DNA of their blood, extracted from a contemporary biting insect preserved in amber.)

The find in Picardy was originally made by an amateur palaeontologist, Gaël de Ploëg, in 1996. It is the first anywhere in the world from the lower Eocene era, around 53 or 54 million years ago; all previous amber finds have been from much earlier or much later.

When these deposits were laid down, the area was a trop-



Ancient treasure: A moth-fly, one of 10,000 pre-historic insects discovered in the amber of the sand-pit in Picardy

Photograph: Groupe Ambre Entomologie MNHN

ical region, bisected by a vast west-to-east flowing river.

The amber is dug and sieved in small, honey-coloured globules from the sand, gravel and charcoal which formed the ancient river bed. Other fossils have been found in the pit, including parts of unknown

mammals and hundreds of pieces of fossilised crocodile droppings.

"We do not wish to identify the site because we want no trouble with robbers," said Professor Jean-Jacques Menier, in charge of the museum's project to create a permanent

database of the Picardy insects. "Amber is much sought after by some people to make jewellery. This is, in fact, a much too fragile kind of amber for that purpose. But that would not stop the robbers."

The scale of the finds in Picardy — and those expected in

the next few months — has overwhelmed the capacity of the French entomological community. Professor Menier is putting together an international scientific foundation to study and classify the insects, drawing together experts from Britain, Spain, the United

States and Russia. And could these experts, or others, extract DNA and re-create insect species which have not existed for tens of millions of years? Or bring back to life the ancient crocodile or mammals which may have been bitten by the insects? Dr Nel and Professor Menier can scarcely conceal their merriment. Amber, they explain, is not fully air-tight. Any DNA found in an insect fossilised in amber would be hopelessly incomplete or, more likely, be the DNA of some intruding bacteria.

Oh, well, just an idea.

Life imitates art for Mitterrand's daughter

By John Lichfield
in Paris



WHEN her father became President of the Republic, she was seven. She must have seen him on the television practically every day of her life for the next 14 years. She was not allowed to tell her school-friends who he was, or who she was. Mazarine Pingeot, '23, the illegitimate, long-hidden but much cherished daughter of François Mitterrand, will give her first television interview on Sunday.

Ms Pingeot has recorded an hour-long programme for TF1, the most-watched French television channel, to mark the publication tomorrow of her first novel, entitled imaginatively *Premier Roman* (*First Novel*). She is already being boosted by her publisher, and by the French press, as the next Françoise Sagan or Simone de Beauvoir.

In her conversation with Michel Field, one of the top current affairs interviewers on French television, Ms Pingeot talks for the first time about her clandestine childhood and her relationship with her father.

Papon attacks 'political trial'

MAURICE PAPON, the Vichy official charged with crimes against humanity, made a rambling and self-pitying final statement to his trial yesterday in which he accused the prosecution of killing his wife, writes John Lichfield.

Mr Papon, 87, in a 40-minute statement before the jury tried to consider a verdict, said the prosecution had portrayed him as a "cold monster" during his six-month trial.

This was false. The accusation that he had been a willing and zealous enforcer of the deportation of Jews from the Bordeaux area in 1942-43 struck him to "the centre of my heart". He was the victim of a "political trial".

Nonetheless, Mr Papon showed little remorse for the almost 1,600 Jews he helped to deport, ultimately to Auschwitz and their deaths. He dwelt on his own suffering and that of "that great lady", his wife, who died last week. The prosecution's decision to seek a 20 year term had been the *coup de grâce* which had killed her, he said.

In an extraordinary conclusion, bordering on racism, he compared the Jews deported on the basis of his written orders to illegal African immigrants to France sent home on official charter planes. If he was convicted, he said, any French bureaucrat chartering such planes might be prosecuted for crimes against humanity if the immigrants were later "decimated".

The jury, consisting of nine members of the public and three trial judges, is expected to deliver its verdict in the early hours of today.

Girl, 11, outwits touch therapists

THE SCEPTICAL mind of an 11-year-old has sent one of America's most popular fields of alternative medicine into a spin. It is touch therapy, where practitioners pass their hands over a patient's body, not in fact touching their limbs but allegedly connecting with the human "energy field" around them, writes David Uzanne.

Choosing it as the subject of a science project, Emily Rosa conducted an experiment to see if the therapists were phonies. Her results were published yesterday by the Journal of the American Medical Association.

Her approach was super simple. After recruiting 21 practitioners, she set them behind a screen and had them put their two hands through holes to the other side. By flipping a coin, she decided over which of their hands she would place one of her own. Not touching, but within "energy field" range.

Then she asked the obvious question: over which of your hands is my hand hovering? If the therapists could really detect human energy, which is the claim that underpins their work, they would know.

But, oops, they did not. In fact, they got the answer right only 44 per cent of the time. The laws of chance alone would suggest that they would do better. "Since they felt my energy field less than half of the time, then you wouldn't think they had any special ability," Emily said yesterday.

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Botswana swears in third president

FESTUS Mogae was yesterday sworn in as Botswana's third president since Africa's oldest democracy gained independence three decades ago. Mr Mogae assumes power a year before his ruling Botswana Democratic Party (BDP) faces voters in a national election.

Botswana has enjoyed remarkable economic growth during his decade-long tenure as finance minister. The country's vast diamond wealth has made it the world's biggest producer by value terms, estimated at \$1.8bn in 1997. Mr Mogae is under pressure from opposition parties to spend more of the diamond-generated wealth to combat a 21 percent unemployment rate among its 1.5 million people.

— Reuters, Gaborone

Jews gain in Auschwitz

THE Jewish community in Oswiecim (Auschwitz) in southern Poland yesterday recovered a synagogue in the city where Nazi German invaders set up the largest death camp of the Second World War. It is the first Jewish property returned under last year's law on relations with Jewish communities, which allows Poland's nine tiny congregations to recover properties lost during and after the Holocaust.

— Reuters, Warsaw

That sinking feeling

NEW Yorker Suzana Piamenta won't be using the lifts again. On Tuesday, she returned to her Upper East Side apartment after walking her dog and pressed the button for the eighteenth floor where she lives. But the lift headed down to the basement, which was flooded. No sooner had the cabin bumped to a halt than water gushed in through the cracks in the door. She and the dog were rescued after her husband heard her screams and raised the alarm. "It seemed exactly like the *Titanic*," she said.

— David Usborne, New York



My idol: TV presenter Sally Wu Xiaoli with a picture of the Chinese premier, Zhu Rongji. Photograph: Wan Kam-yan

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TV star woos the old men of China

By Stephen Vines
in Hong Kong

SALLY WU XIAOLI, a television journalist, has made two important men very happy. The first is China's new Prime Minister, Zhu Rongji, who is now visiting London. He says he is an avid fan. Even happier is her ultimate boss, Rupert Murdoch, who has Ms Wu to thank for getting an official endorsement for his struggling Phoenix television station which broadcasts in China.

The endorsement came immediately after Mr Zhu was selected as China's prime minister two weeks ago. Spotting Ms Wu at an unusually relaxed press conference he declared: "I really enjoy watching her show." Sally Wu, not known for her licence, gushed back: "Mr Zhu, I just want to tell you that you are my idol, too."

Only television could have brought together Ms Wu, who is from Taiwan, and the staunch Communist Party member Zhu Rongji. Ms Wu is beamed into Mr Zhu's home by satellite at 9pm when she hosts a daily current affairs programme, *Asian Journal*.

If Mr Zhu wants more of her he can catch the weekly *Sally's Eye on the World*, which airs on Sundays or a brief *News Update*.

which also goes out every evening.

Ms Wu, who is based in Hong Kong, has been with Phoenix more or less since it started in 1996. Before joining the new channel she spent three years with Mr Murdoch's Chinese-language Star television service.

"Though not well-known in her home country of Taiwan, she

The media has gone to town on the Zhu story, lifting her profile to film-star levels

is gaining fame in China where Phoenix claims to reach 36.2 million households. The news programmes it broadcasts are heavily self-censored, but they are still attractive to Chinese viewers accustomed to a diet of news served up by solemn presenters and shaky visual props.

And Ms Wu is far from solemn. She has a ready smile and draws heavily on her background in entertainment television to liven up the news. She

is coy about her age and family background, but not averse to self-promotion. Famous for handing pictures of herself to other journalists, she was keen to present one to Mr Zhu who told her it "looks great".

Sally Wu is now gaining a reputation as one of the highest-profile figures in Chinese television. She managed to secure a rare exclusive interview with Tung Chee-hwa, Hong Kong's chief executive, and has set her sights on another exclusive with Zhu Rongji.

Her highly publicised encounter with the new prime minister will certainly do her no harm. The mainland Chinese media was restrained in reporting the Zhu-Wu mutual admiration society, but the Hong Kong media went to town on the story, raising her profile to near film-star levels.

This is music to the ears of her bosses at Phoenix, a three-way joint venture company, with most of the programming provided by Mr Murdoch's Star TV.

Phoenix is yet to receive the status of being an officially approved broadcaster in China but has semi-official approval to air its programmes via satellite and cable. Ms Wu may have helped to push the new television station further along the regulatory road.

Hong Kong broadcaster fights for press freedom

HONG KONG'S public broadcaster has unwittingly moved to the front line in the battle for press freedom under the territory's new order, writes Stephen Vines.

Under attack from pro-Peking hardliners who dislike its independence, Radio Television Hong Kong (RTHK) adopted a defensive position when legislators debated its future last night.

A motion supporting the station's independence was qualified by the legislators who inserted demands for the implementation of controls over the way it is run. The Hong Kong government pledged to provide written guidelines.

Other parts of the media started exercising greater caution in reporting Chinese affairs well before the handover of power, but RTHK has main-

tained its reputation for objectivity.

The media generally have become less afraid of the Chinese government, which has been handling Hong Kong affairs with restraint, but its hardline supporters in the territory appear to be slightly obsessed by RTHK — they are suspicious of an institution modelled on the BBC. The most outspoken opponent of an independent RTHK is the pro-Peking magazine publisher Xu Shizhuo, who has described the station as a "remnant of British rule".

Unfortunately for RTHK it has received less than firm support from the former colony's head of government, Tung Chee-hwa, who has been equivocal in the face of pressure to turn the station into something resembling China's propaganda broadcasting services. On the one

hand he has defended freedom of speech, while on the other he stated that "it is also important for government policies to be positively presented".

Wong Siu-yeo, a legislator

who often criticises RTHK, has taken the blunt line that because it is owned by the government it needs to follow and propagate the administration's line.

Those wishing to neuter RTHK may however have shot themselves in the foot. Even newspapers considered to be supportive of Peking are backing the station's stance. Yet RTHK journalists have privately expressed fears that they will come under greater control.

Martin Lee, the leader of the Democratic Party, said: "I hope this does not signal a desire to transplant the Communist system of propagandist journalism into Hong Kong."

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All the president's women

It is not the 'bimbo eruptions' that could damage Clinton, but allegations that he covered up illegality, writes Mary Dejevsky

EVEN WITH President Bill Clinton thousands of miles away in Africa, the allegations about his sex life have refused to go away. From Kathleen Willey's televised accusations two weeks ago that Mr Clinton kissed and groped her near the Oval Office, via an allegation last weekend about a rape 20 years ago, to the confession by a former Miss America this week that she slept with him 16 years ago, the list of alleged Clinton conquests easily approaches a dozen.

Now, though, there could be a pause. The Arkansas judge, Susan Webber Wright, who is set to preside over court proceedings next month in the sexual harassment suit brought by Paula Jones, has read the

riot act to legal teams on both sides. She is threatening sanctions if they divulge the names of any more women who gave evidence on condition of anonymity.

In truth, the identities of most of the women who figured in the pre-trial hearings are already known. They may have been referred to in transcripts of the hearings as Jane Doe 1, 2, 3, etc, but their namelessness did not last long. With the identification at the weekend of the alleged rape victim, Juanita Broaddrick, the last mask fell.

This parade of women alleging a sexual relationship with Bill Clinton was precisely what his campaign managers had feared when he ran for President six years

ago. Graphically termed "bimbo eruptions" by the side, Betsey Wright, who was entrusted with deflating them, the accusations were successfully sidelined, partly by Mr Clinton's admission that he was no innocent, partly by dint of discrediting the accusers.

Now, thanks largely to the persistence of Paula Jones, the "bimbo eruptions" are back with a vengeance. Her civil suit is due before the court in Little Rock, Arkansas, on 27 May unless the judge accedes to a plea from the Clinton camp that there is no case to answer.

Even if the case proceeds, however – and it would be difficult, politically, for the judge to throw it out – the damage to Mr Clinton may be limited. While Ms Jones's central accusation has remained consistent since she initiated the case in 1994 – that Mr Clinton invited her to a hotel room, tried to kiss her, dropped his trousers and asked her for oral sex, which she refused – the grounds for her claim have shifted to include psychological harm and career damage. Even so, legal specialists say, her case will be hard to sustain.

This is one reason why Ms Jones's lawyers have called other women from Mr Clinton's past to testify. They want to prove a pattern of behaviour that would make Ms Jones's account more credible. This tactic has not been entirely successful, however, as several confessed to consensual rela-

tionships with Mr Clinton and denied it properly on his part.

The real risk for Mr Clinton lies with the criminal investigation being conducted by the independent prosecutor, Kenneth Starr. Instituted over the Whitewater land deal (see below), the inquiry was recently extended to include the accusation that Mr Clinton had had an affair with Monica Lewinsky and induced her to lie about it.

The case was included in the Whitewater investigation because it appeared to conform to another pattern of behaviour: Mr Clinton's alleged use of his power to cover up illegality. The most damaging question in the Lewinsky case is not whether he had an affair and lied about it, but whether he tried to "buy" her silence with good jobs.

This is where the parade of women who have testified, mostly harmlessly, in the Paula Jones case could prove lethal. Called to attest to Mr Clinton's tendency to bad sexual behaviour, at least some inadvertently suggested another tendency: his concern to keep the relationships secret.

In the case of Ms Lewinsky this could amount to a crime. Were she to say that Mr Clinton suborned her to commit perjury, he would be in big trouble. Not big enough, probably, given his popularity with voters, to convince Congress to impeach him, but big enough to tarnish his presidency irrevocably.

ON THE RECORD: WHAT THEY SAY ABOUT HIM AND WHAT HE SAYS ABOUT THEM



HILLARY RODHAM CLINTON



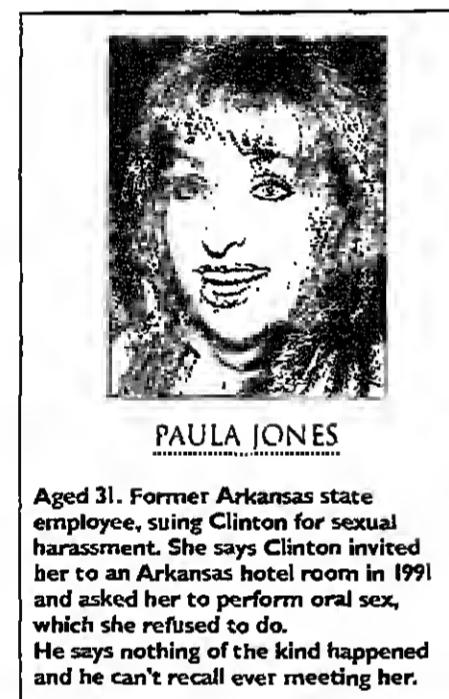
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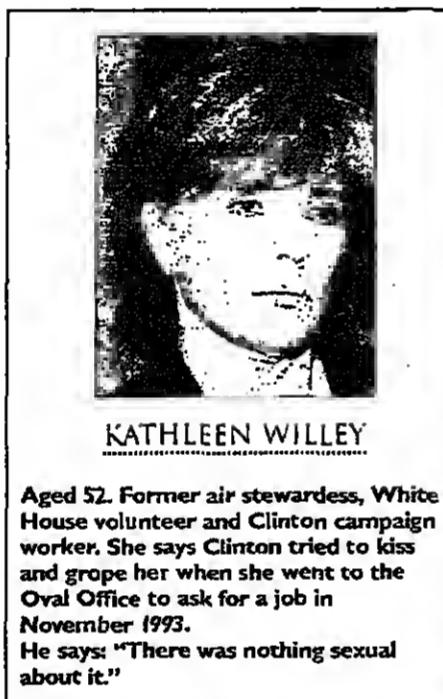
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ELIZABETH WARD GRACEN



PAULA JONES



KATHLEEN WILLE



MONICA LEWINSKY



CHRISTY ZERCHER

Bill Clinton: Trouble on the home front. Photograph: Reuters

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Whitewater case set to run and run

The prosecutor's investigation could outlast the presidency, reports Mary Dejevsky

THE Whitewater investigation, which has now been running for four years at a cost to the American taxpayer running into tens of millions of dollars, began as an inquiry into a speculative land "taipei". Arkansas land deal in which Bill and Hillary Clinton invested in the Eighties. It has now expanded to include the accusation that Mr Clinton had an affair with a White House trainee, Monica Lewinsky, and prevailed upon her to lie about it under oath. And it could run and run.

The common thread is abuse of power. The question is whether Mr Clinton used his power, first as attorney general and state governor of

Arkansas and then as President of the United States, to pervert the course of justice. At issue in the main Whitewater investigation is whether Mr Clinton traded his influence as governor for financial gain – by obtaining loans for himself and others – and whether, a decade later, the White House illegally obstructed police inquiries – by concealing records and buying off or destroying those who had information.

Hillary Clinton is also implicated in the Whitewater inquiry. She was a partner in the Rose law firm in Arkansas involved in the land deal, and her documentary records have had a habit of vanishing and reappearing at crucial stages in the

investigation, bringing accusations that she orchestrated a cover-up.

In the past month, the probability has increased that the investigation, headed by the independent prosecutor, Kenneth Starr, could outlast Mr Clinton's presidency.

One of the key figures, a former Arkansas businessman, Jim McDougal, died in prison. Then this week the appeals court ruled that a decision on whether to release the papers of the late Vincent Foster, deputy White House counsel from 1992-3, should go to the Supreme Court. (The legal status of papers belonging to deceased people is moot.)

Mr Foster was found shot in July 1993, and while a succession of inquiries has established that his death was suicide, conspiracy theories abound.

Some say that he knew too much about Whitewater, others that he was romantically involved with Hillary Clinton, but no evidence has been produced to support either theory.

If Mr Starr believes he has evidence that Mr Clinton tried to pervert the course of justice, his next step is to refer it to the Senate Judiciary committee which could consider impeachment. Now, though, the case is likely to be held up until the question of Vincent Foster's papers is resolved.

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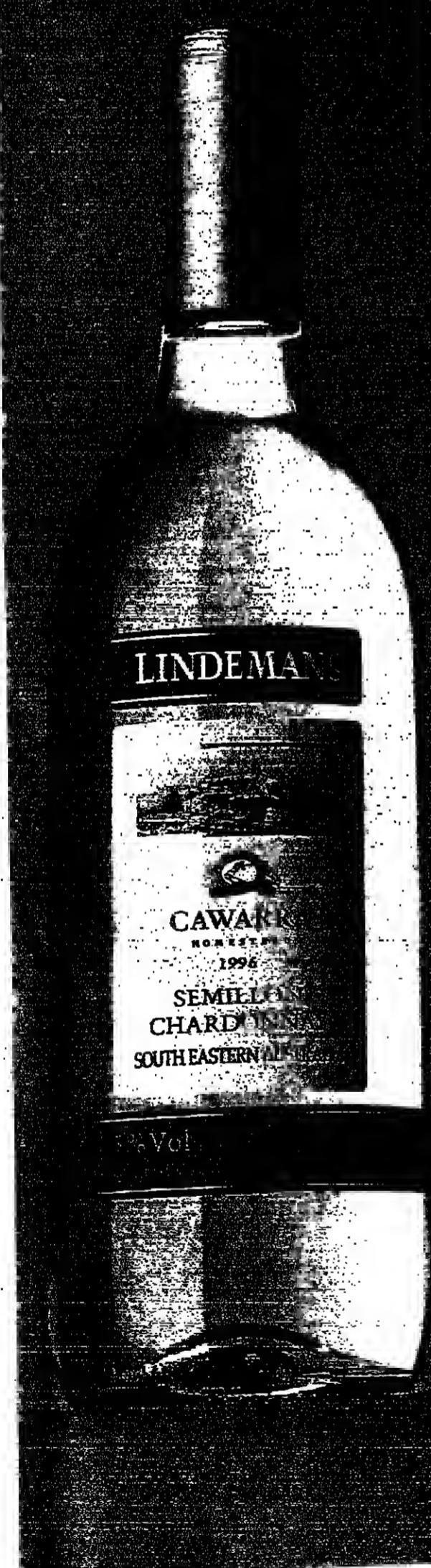
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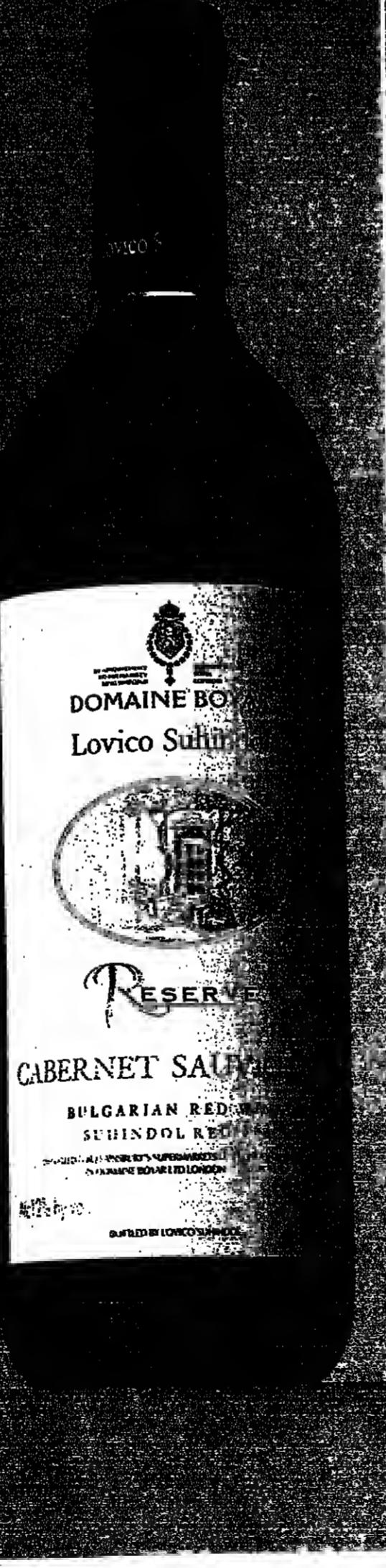
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Work matters, hours don't

THE BRITISH work longer hours than most. Is it time for us to "get a life"? The Government seems to think so. It is going to implement the European directive which, more or less, will limit us to working 48 hours a week. As a spokesman for the trade unions put it: "Workers need legal protection on health and safety but also on how many hours they work, so they can have a life outside work".

We wouldn't be so sure about the last bit. Of course no one should be intimidated or forced to work for excessively long days against their wishes. Transport workers and hospital doctors should be prevented from damaging our health as well as their own. But there are powerful reasons why the Government shouldn't get in the way of those who happily choose to work – or appear to work – barny hours.

There are groups who should clearly be exempt. Freelance "portfolio workers" are often a nervous and harried lot driven by the most potent fear of all – losing their job. They often choose to work every hour God gives for reasons of security. As the song says, they make hay while the sun shines and make love when it rains. The telephone may not ring tomorrow. It isn't up to government or unions to prescribe their security and income – no central authority knows enough about their endless balancing act.

Then there are those for whom long hours represent giving rather than taking. They are their own bosses, and, as they will tell you, you can be your own worst boss. There is no such thing as a 9 to 5 entrepreneur. A country in which people are forbidden to work themselves half to death trying to become millionaires would be a failed one.

Then there are those who just look like they work really hard. They may not be producing much at their workstations but they flee to the sanctum of long hours in the office to avoid confronting something terrifying at home, maybe loneliness or a disintegrating relationship. The Government should not underestimate the size of this latter group. Britain may well have one of the longest working weeks in Europe but it also has one of the highest divorce rates: many of those breakups are caused by work-related stress and insufficient leisure. But we are odd animals and many people stay together because of long hours apart. No one, not even ministers, should presume to know the secrets of millions of hearts.

There's another bogus group of "hard workers", those whose working hours consist of, as far as possible, being at work five minutes before the boss arrives and leaving five minutes after the boss goes. If their boss has the same approach as they do to impressing his boss and his boss in turn has the same attitude, then a cycle of "over-work" is set up. It is a familiar but transparent part of many work cultures; and if legislation could end that nonsense, so much the better.

Overwork is often a male thing, driven by the macho, competitive, ballsy atmosphere to be found in some professions, and by the extension of the working day to the pub or wine bar where the continuation of work by other means can take place and where flirting, networking and hitching can thrive. Women, particularly women with children, are likelier to finish their work promptly and efficiently; and then go home.

None of these things really needs to be or could be regulated by the Government. But what about those employees who have, or want to have, a life – and who are looking for help in balancing work and play? For them there are better solutions than those offered by the European Union and the DTI.

First are the slow, sure, changes that are taking place in the labour market. Cultural and social change often makes legislation redundant. More and more women are entering the workforce and are challenging old male customs. The loudest voices in favour of reform of Parliament (where all the worst practices find an indulgent home) have been female. Part-time working is much more commonplace. Working from home too. Now you can do your shopping on a Sunday and your hankering from your study. Flexitime is the norm and fewer of us live under the petty tyranny of "clocking on". There is a growing plurality in work.

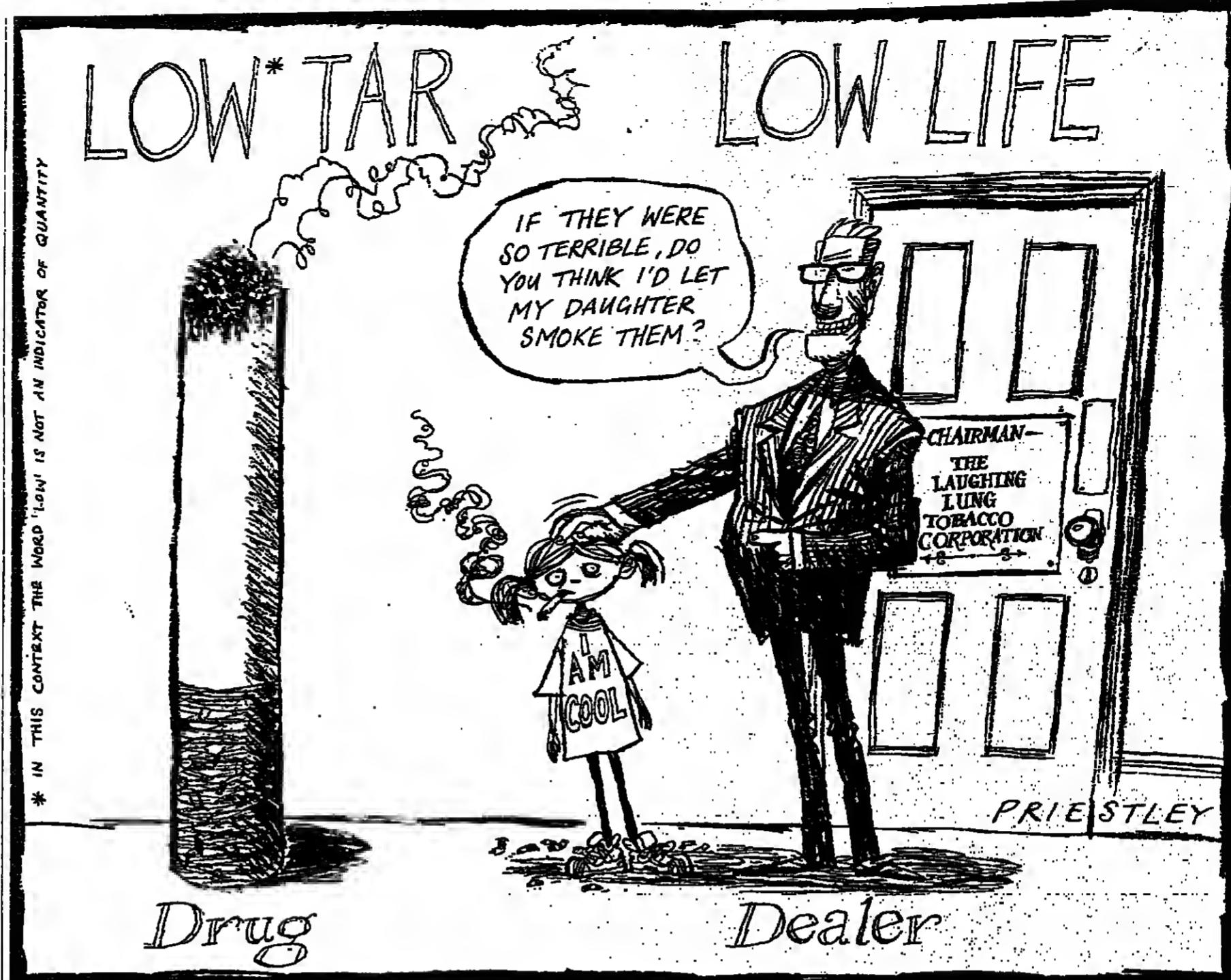
And then there is the sanction of the market. A rotten workplace will deter the best staff. A responsible employer will notice this. Long hours, real or fabricated, do not necessarily mark a productive organisation. Watching staff do nothing and claim overtime while they wait for the boss to go home can't be pleasant. Many employers and line managers already adopt a libertarian approach to setting a target for their staff and allowing them to achieve it in the way they desire, rather than stressing the number of hours they have to put in. If someone can do a week's work in 20 hours that should be good news for all. They should be encouraged. Who knows, it might be the way to start dealing with the super-strength pound. And maybe then we could all get a life.

Injustice seen to be done to Josie

IF THE law can be an ass, then its agents can be donkeys. Courts and tribunals make all kinds of cash awards. So do various civil and criminal agencies. They often appear random. A huge award here is followed by a derisory payment there, with no sense that behind them lie any coherent principles.

So it isn't just mild puzzlement that greets the refusal of the Criminal Injuries Compensation Board to augment the puny annual sum paid Josie Russell as the surviving victim of that murderous attack which killed her mother and sister. We feel angry too at the whole system – at its vagaries, its absence of rationale, its silliness. Once again, questions are raised about decisions taken by a quango. Yet here is the board's astonishing non-exercise of its discretion in the Russell case – except by using the very legal system which otherwise seems so haphazard? Justice is a seamless web. The public's faith in policing, detection, prosecution and disposal is harmed by decisions – wherever they are made – that injure fundamental ideas of fairness. This is one of them.

16/COMMENT



The strong pound

BRITAIN'S exporters cannot compete on cheap labour. Today's export market is for capital-intensive products backed by heavy research and thoughtful design. To hold our own, we need as much capital as our competitors. Just as the high pound and high interest rates of the early Eighties wiped out the cash-flow of exporters and turned our traditional trade surplus in manufacturing into huge deficit, so it will today.

The Labour governments of the Sixties and Seventies turned huge payments deficits into surpluses by encouraging investment in manufacturing. It is open to the present government to do the same. It can be done the hard way by using fiscal policy instead of interest rates alone to regulate the economy. This would reduce interest rates and bring the pound down to a competitive level.

Or it could do it in the easier way by negotiating with our European partners a more competitive rate for the pound in the Exchange Rate Mechanism (which we did not do in 1989).

Failing one or other of these, after the creation of a single currency for Europe, a trading area larger than the USA, interest rates will have to go up even higher to prevent a steady flow from pound to euro and in due course, even that will not stem the flow and there will be yet another sterling crisis, and an undervalued pound, setting us off again on the dreary wage/prize spiral.

And by that time it will be too late for the government to recover before the next election.

SIR FRED CATHERWOOD
Cambridge

STERLING'S value against the German mark increased by 20 per cent between May 1996 and May 1997. It has since gone up a further 10 per cent but it is worth placing on record that the sterling time-bomb was a Conservative inheritance. I raised the issue regularly in the Commons until it was brushed away by Ken Clarke, who told me in March 1997: "We have a floating exchange rate at the moment and, for that reason, I do not control its level. Finance ministers do not control the level of exchange rates in today's deregulated

foreign exchange markets."

His answer would cause smiles in the finance ministries of Europe, the United States or even Switzerland, where a mix of measures have been used by policy-makers to determine currency values. If Gavin Davies is right (column, 30 March) and the Bank of England has "concluded that about seven-eighths of the [pound's] appreciation cannot be explained by monetary or other measurable factors" perhaps it is time the Bank hired economists for whom currency value is not an unfathomable mystery.

DENIS MACSHANE MP
(Rotherham, Lab)
House of Commons

HAMISH McRAE may relax and enjoy the high pound when he travels abroad (Comment, 1 April), but I would guess that he also likes high interest rates because he is as I am, a saver and not a borrower.

High interest rates keep inflation down by discouraging borrowing, but the people they discourage most are business people who calculate the cost of credit. For retail customers the costs of credit are often disguised in the price, and people are more easily tempted to buy if they do not have to pay anything at the time.

We will never get interest rates down to continental levels if we don't get consumer borrowing down. So why not make retailers spell out the cost of credit and/or set a legal minimum downpayment? There would be an outcry from the trade and from finance companies – but are they really more worth than export industries?

H B WIENER
London NW11

Vaccine risk

THE CLOSED meeting of the Medical Research Council which reported on the MMR vaccine against measles, mumps and rubella ("Children's vaccine is safe, say experts", 25 March) has not laid to

LETTERS

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rest the anxiety of parents.

Sir Kenneth Calman is reported to have ruled out making the three vaccines available separately, for those parents who would prefer that method of treatment. Yet separate-dose vaccination would in time provide a control group against which the present opinion of the MRC could be tested. The refusal to allow the separate dose method even if paid for privately appears to show a "no choice" attitude which is not acceptable in a democratic society.

It is essential that this problem should not be dealt with in the way BSE was dealt with in the 1980s, when data was withheld, research stifled and experts who did not support the official line were silenced. Our children are too important for us to take such risks.

J A WALLER
N M WALLER
St Albans, Hertfordshire

Millennium bug

TONY BLAIR'S proposal for 20,000 "bug busters", trained for £1,500 each to combat the year 2000 computer problems is naive. He is to be congratulated for lending his authority to the Y2K awareness campaign, but he is being badly advised.

I was world-wide leader of Year 2000 services for Deloitte Consulting for 18 months to December 1997. In my experience, 75 per cent of all business IT systems need to be changed to avoid Year 2000 problems. About 50 per cent of departmental systems (such as stock control, laboratory data capture, packing and labelling) need to be changed. But the worst problem is that some 3 per cent to 5 per cent of "embedded" systems (controllers in electronic equipment) will fail in a serious way unless they are replaced.

There are billions of such systems in existence and, unfortunately, it is not generally possible to tell whether particular equipment contains a com-

puter-based calendar and may fail. The clock may not be visible to the user of the equipment (as in some engine controllers). The clock may not even be used, but the equipment may fail its "power-up self-test" if the clock goes wrong. Equipment with identical model numbers may have different components, so you cannot rely on the results of a "representative" test. Manufacturers' assurances may be misleading or incorrect. Much equipment may be impossible to access or difficult to test.

The business risks extend beyond individual systems and equipment. Will your suppliers fail? Will there be water, gas, electricity, telephones, transport?

Finding and correcting the problems is a skilled task. It needs to be done with greater professionalism than was used to build the systems or equipment the first time round. We are about to suffer from the consequences of believing that developing computer systems is a job that can be done reliably by poorly-trained and poorly qualified staff. We will not solve these problems by creating an army of worse-trained and unqualified people and expecting them to make detailed changes on impossibly short timescales.

The money should be spent instead on training people to help draw up contingency plans, and on directing resources into the most vital areas of the national and international infrastructure.

MARTYN THOMAS
Bath

Lords of misrule

YOUR REPORT "People's Lords to replace hereditary peers" (1 April) reminds me of Lloyd George, who 88 years ago said that the members of the House of Lords were "ordinary men ... chosen accidentally from the ranks of the unemployed".

DAVID BARRON
London SW15

'Safer' cigarettes

Your report (1 April) about the promotion of low-tar cigarettes by the tobacco industry reminds me of an informal meeting at the Royal College of Physicians 30 or more years ago between members of the committee which had prepared its 1962 report on smoking and health and a group of medical advisers to the industry, at which we were asked to express an opinion about the possible formulation of a safer cigarette.

We refused to commit ourselves to any forecast of the effects of reduction in either tar or nicotine content, pointing out that this could be discovered only by observation over a number of years, of the incidence of smoking-related diseases in smokers of modified and unmodified cigarettes. We were aware that to commit ourselves to any view would encourage unjustified claims of "safer" cigarettes.

I remember remarking that evidence suggested that the component of tobacco smoke most responsible for the appeal of cigarettes to smokers, nicotine, was one of the least harmful and so the least harmful cigarettes might well have a high nicotine and a low "tar" content, since smokers of such cigarettes would get their "fix" from fewer cigarettes, and be less exposed to the harmful components of the "tar". I doubt whether there will ever be a study of this possibility, such a study is unlikely to be encouraged by the industry, whose objective is to sell as many cigarettes as possible.

J G SCADDING FRCP
Emeritus Professor of Medicine,
National Heart and Lung Institute,
Beaconsfield, Buckinghamshire

Too many mayors

IT SEEMS that London is destined to have two Mayors – or rather a Lord Mayor and an ordinary one. Of course, the former's patch is only the Square Mile and his duties largely ceremonial, but try explaining that to visitors from abroad. Any title – Governor, Director, Chief Executive, Lord High Panjandrum – anything but Mayor and this farcical confusion could have been avoided.

JIM TRIMMER
Isleworth, Middlesex

A heart-warming story from the golden age of irritating interruptions



MILES
KINGTON

I BRING YOU a story today which is very modern in its flavour but very traditional in its lessons, a story which is hang up to date yet timeless, a story which is for now yet for all time, post-modernist yet old-fashioned...

A reader writes: Why don't you just tell us the story and let us make up our own mind about all that?

Well, perhaps I will, at that. The story I am about to relate concerns a man called Martin Trapp, who was an expert on showbiz history. You know how these days it has become very fashionable to be an expert on showbiz history without actually being a showbiz person?

A reader writes: Is that a real question or a rhetorical one? Do you want us to answer it, or just accept it as a trick of style?

No, it's just a trick of style, or a stylistic device, as I would prefer to call it. The fact

of the matter is that we have now come to look back on the golden era of showbiz, especially American showbiz, as a well, a golden era, and therefore the era of George and Ira Gershwin, Benny Goodman and Artie Shaw, Frank Sinatra and Peggy Lee, the Boswell Sisters and the Marx Brothers, has attracted copious historians who have dubbed the whole showbiz world as...

A reader suggests: The Land of Hope and Crosby?

Very nice, I like that. I'll remember that and maybe use it. Now, will you shut up?

A reader writes: No. This showbiz world, which has become known as the Golden Age of Showbiz, has attracted its own gang of chroniclers and experts. To be an expert on the history of musicals might once upon a time have been considered a sign of effeminacy in a man. Nowadays it is considered almost as re-

spectable as being a chef or a hairdresser. You get people who are experts on the history not just of musicals, but of animated cartoons, of comedy scriptwriting, of film musicals, of songwriting, of silent films and...

A reader interrupts: Yes, yes, we get the Bob Hope, Mark Steyn, Gerald Kaufman, Sheridan Morley and so on. None of them can sing a note but they can tell you which song comes from which musical.

Don't forget Larry Adler. Larry Adler not only knows all those things but he was there as well.

A reader contributes: And George Gershwin, as usually on hand to say, "Only you could have said that, Larry!"

Be that as it may, there was a man called Martin Trapp who was one of the best all-round historians of the era. He had written a life of Harold Arlen, done a history

of Jack Benny and compiled a glossary of musicals which had never made it to Broadway. He was in short a walking encyclopaedia and a pain in the neck to sit beside at mealtime. He was also much in demand on places like *Kaleidoscope*...

A reader starts losing his nerve: For God's sake get on with it! We're over halfway through and you haven't started the story yet!

But most of all Martin Trapp was in demand for obituaries and death notices. Whenever a survivor from the golden age of showbiz died, Martin Trapp could be called on to supply a glowing tribute, a reasonable but radiant résumé, a heartfelt hymn of praise for someone whose like we shall not see again, a last icon from the great days of whatever it was. Martin's trade was in other people's demises.

A reader starts getting pedantic: Shouldn't that be "demises"?

No, well, maybe it should be, but who cares? In any case, Martin Trapp may never have known the golden age of showbiz personally, any more than A L Rowe had personally known Shakespeare's epoch or... or...

A reader tries to help out: ...Or Shakespeare had known A L Rowe's times?

Quite so. But Martin Trapp did at least live in a golden age of obituaries. And one day he became possessed by a tremendous desire to know what people would say about him when he died. He longed to know what HIS obituary would look like.

A reader writes: But surely he could only know that if he died?

Yes, indeed. Or, of course, if he faked his own death.

A reader writes: And did he?

Find out tomorrow. And try to keep quiet next time.

Tony has some little lambs, but they never ever bleat



ANNE
MCELVOY

LABOUR'S STRANGELY
QUIET BACKBENCHERS

THREE backbenchers have been caught out by a newspaper giving identical replies in a telephone interview about the Budget. We can only wonder that so few of them were on cue. Some performance-monitoring unit in Millbank is doubtless busy researching why the take-up rate was so low.

Since they were elected last May, I have watched New Labour backbenchers – people I know to be lively, intelligent and irreverent in private – turn into enfeebled drones. Tony Blair used to urge his supporters to think the unthinkable. Once in Parliament, however, they are told to shut up until their unthinkables have been cleared in triplicate. As they read out their model answers, ask the right questions and compile their "home-made" publicity posters in accordance with the guidelines – "You will need a large piece of white card, a thick black marker pen and a photogenic child" – no cliché is left unclichéd, no repetition unrecycled.

Dull politicians have always relied on verbal props to help them survive the trauma of being asked what they believe. Labour used to mock Tory backbenchers who bowed and scraped to Margaret Thatcher. But Mr Blair's footsoldiers should be a different breed. Far younger than the Tories, they are, on the whole, well-educated products of a meritocracy and not the result of union-dominated selection. On paper, they appear to be an exciting lot. All the sadder that they have become the supine recipients of spin-doctors' orders, as dependent on their papers for instruction as Linus on his comfort-blanket.

Recently, on a talk-show panel, I encountered one of the brightest stars of the 1997 intake. Just before the show started, she disappeared to the Ladies where I found her earnestly studying her bleeper for last-minute guidance. The results were predictable: on handing of the economy, "Avoid the boom and bust of Tory years." When challenged by a Conservative on any inconsistency, "We're not going to take any lessons from the Tories on..." (fill in as appropriate and quite often as inappropriate). The phrases "We've got to get people off welfare and into work" and "A society for the many not the few," were delivered in that strange sing-song rhythm which comes from saying the same thing too often. They might as well go into tele-sals. Turn the sound down on your television when a house-trained Labour backbencher starts speaking and you can finish the sentence for them.

Now I'm sure that Alastair Campbell would say that my objections are C-R-A-P. New Labour has to get its message across. Consistency is all. The Tories started to go wrong when they lost the plot and gave the im-

pression of being in disagreement with each other. Look at that (expensive deleted) Brian Sedgemore – all over page two of the *Sun* yesterday, mauving Gordon Brown about the high pound. Why should we encourage that? You can bore the public catatonic and still convey an impression of competence.

But the thought-controllers' belief that restricting what backbenchers say amplifies the core message is mistaken. Predictability is already beginning to dull the impact. We start listening out for the clichés rather than hearing the words. The repetitive phraseology suggests an under-tow of cynicism. The audience on our chat-show was irritated by the MP's use of formulaic language as a kind of harrier, preventing the penetration of any shard of criticism or doubt. New Labour would be unwise to allow the Tories to become the Party of Plain Speaking. William Hague will make hay with the Government's increasingly stilted language and its distance from the way that real people express themselves.

It is true that the Conservatives suffered in the election because they could not articulate a single message. That was because they were deeply, theologically, divided on Europe. New Labour is not in this position. Mr Blair's main achievement is that he has complete authority in the parliamentary party. The internal opposition is ageing and quiescent. When Mr Sedgemore lashes out at Mr Brown, our response is a resounding, "So what?"

A self-confident governing party should revel in its diversity while celebrating common purpose and values. Admitting the spread of interests, motivations and prejudices among MPs signifies a strength, not a split. Why do the young MPs tell us so little about why they are in politics about what moves or shocks them? And why do they accept so readily – indeed pre-emptively – the restrictions placed upon them from above? They can't all get promoted by being goody-goodies. New Labour is not a police state. MPs should defend their freedom of speech from the grand inquisitors. They may find that we warm to them as a result.

New minds in Parliament are the seedbed of fresh solutions for age-old problems. But only if the owners of these minds are prepared to use them and to take the occasional risks in the process. As things stand, the only outspoken Labour members are on the margins, like the expansive Rob Marshall-Andrews, who has set up a lunch club with the express purpose of "having a good time and annoying the Government". Very jolly for him, I'm sure, but neither Mr Marshall-Andrews nor Mr Sedgemore lays out a clear new direction they wish the Labour Party to take. They are, to put it politely, entertaining but irrelevant. The backbenchers should be more intellectually productive than this.

All governing parties need people around them to think ahead, to be braver and more radical than the present incumbents. That is not "off message" – it is the lifeblood of politics. John Redwood was ten years ahead of his party on privatisation. Frank Field campaigned for reform of the welfare state when it was truly unthinkable. A Labour government would ever deliver it. Mr Blair needs to encourage young men and women capable of looking ahead of their time, of laying out brave ideas which can be tested in the heat of debate. Instead, he has a chorus of regulated approval. If you listen to it for too long, you start to hear the bleating of obedient if slightly miserable sheep.

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China will not follow Russia down the stony path of political reform



RUPERT
CORNWELL
ON PREMIER
ZHU RONGJI

YESTERDAY morning in Greenwich, a few moments before 9.30 am, a cruiseboat, rather oddly named the Silver Baracuda, eases up to the pier and an elderly man disembarks, surrounded by a great throng of retainers. Briskly, he makes his way to a black limousine which will ferry him to the Observatory, half hidden in the mists above. Just a handful of us, happy for such rare distraction on the way to work, are at the riverside to see him. A strange buzz is in the air nonetheless. Zhu Rongji, China's new Prime Minister, is making his first visit to the West and expectations are huge. Many indeed have already anointed him as the next great reformer of his country: the man who will seal its transformation into an economic superpower and (why not?) a democracy as well.

Now misty mornings in Greenwich, when palaces float on air and the sky and the river become one, have a way of playing tricks with the memory. As I watched Zhu yesterday, mine went back to 1984, when an earlier reforming Communist upon whom great hopes were pinned, arrived in London to give the world a first glimpse of what he was about. That of course was soon-to-be General Secretary Mikhail Gorbachev, "a man we can do business with", as Mrs Thatcher famously commented. But even she had no inkling what business would bring – a negotiated end to the Cold War and the collapse of the Soviet Union in the space of just seven years.

Understandably, Zhu (when we start calling him "Mr Zhu") will very likely have taken him to our hearts! He loathes being referred to as "China's Gorbachev". He has no intention of being instrument of the disintegration of his country and its ruling caste. Even so, the su-



Smiling matters: Premier Zhu Rongji in London yesterday

David Rose

perficial parallels are irresistible: the early visits to London, the aura of reform, the uninspiring gerontocracies back home, the tingling hint that mysterious societies might be about to open themselves to the world.

So let's start by getting a few things in perspective. Zhu will be 70 this year, the same age as his predecessor Li Peng, he of Tiananmen Square infamy. This does not disqualify him as a reformer – indeed by the standards of Chinese leaders, 70 is

or can blow us off the face of the planet (though maybe it can) – but because the business of China is business.

On the basis of purchasing power (i.e. what people actually produce and consume rather than what exchange rates say they do) it is now the second largest economy on earth. The important news from Peking of late has not been the testing of a new weapon, threats to Taiwan or an egregious abuse of human rights; but the assurance

ferring real concessions in its campaign to join the World Trade Organisation. With us, Hong Kong no longer bedevils relations; if ever there was a moment to "play the China card", as the Americans used to say in another context, this is it.

Yes, Europe is accused of soft-pedalling human rights.

Remember though, it wasn't constant nagging from the West about the Gulag that persuaded Mr Gorbachev to change the Soviet Union's ways – but his

economic achievement is already fact. The modernisation of its economy, and perhaps the modernisation of its political system will continue. But Zhu and his colleagues will do their utmost to ensure the first proceeds much more quickly than the second. It's not a trick you can pull off indefinitely, but China is likely to remain an authoritarian state for many years, albeit in the name of a Communist ideology long emptied of all meaning.

And one final reason to think that Zhu will not turn out to be China's Gorbachev. Caution is second nature to China's leaders, and they remember what happened back in May 1989 when Gorbachev visited China at the zenith of his international prestige and popularity. The students adopted him as symbol of the democracy they yearned for; for a moment – until the tanks rolled in at Tiananmen – it looked as though one of the most inspirational and most mistimed state visits ever would bring about, not the end to 30 years of sulting hostility between Russia and China it was designed to achieve, but revolution. Zhu himself was Mayor of Shanghai when Mr Gorbachev paid a chaotic visit to his city. I was there too, and was electrified. Zhu must have been scared out of his wits. No, Zhu will not be another Gorbachev. Another Russian model comes to mind.

As the motorcade drove off into the mist up towards the Observatory, my mind wandered again – this time backwards by 300 years, but only a mile up-river, to Deptford. The town was then playing host to another ruler from the East, a giant of a man six-feet seven-inches tall, who also wanted to find out about the West. He stayed four months, learning about shipbuilding – then vital to his ambitions as financial services are to those of modern China (which Zhu discussed at the Bank of England yesterday). The visitor of 1698 gave his name as Peter Mikhailov, but it was an open secret he was really Peter the Great. When the Tsar returned home to Russia, he was as ruthless and autocratic as ever. But Peter modernised his country as none since, not even Gorbachev. And that, I would wager, will be the case with Zhu.

Zhu loathes being referred to as China's Gorbachev.
He has no intention of being the instrument of the disintegration of his country and its ruling caste.

only advanced middle age. But there has been no generational change of the kind represented by Mr Gorbachev, the vigorous, supremely poised leader, then aged just 53, heir apparent to a string of wheezing old men, whose mere ability to walk unaided made him an object of wonder.

Second, though the truth was concealed behind a forest of nuclear rockets, the Soviet Union of 1984 was economically rotten to the core. But Zhu is someone we have to do business with, not because China is a menace to regional security

that its currency will not be devalued. Assuming this promise is kept, it should make the difference between success and failure in containing Asia's financial crisis.

And unlike the Soviet Union that Gorbachev was representing fourteen years ago, China is already rejoining the world. Yes, human rights still make the loudest headlines. More quietly, however, China has much improved its relations with the US and Russia, not to mention its neighbours in the region. Though many of its trade practices offend, it is of

realisation, after a quarter of century spent administering that meadowlark system, that the coercions and rigidities of the system were why his country was slipping ever further behind the West. What he did not realise was that matters were beyond cure. The tsar could no longer be sustained; but he turned out to be the only thing that sustained the system.

The last Soviet leader made the mistake – though in truth he had little choice – of putting political reform ahead of economic reform (remember *glasnost*?). By contrast, China's

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The high price of change

On the waterfront: re-use and renovation of the Albert Dock in Liverpool was part of Heseltine's grand scheme. Photograph: Tom Finnie



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if it is

Michael Heseltine's corporations, set up after urban riots to revive inner cities, have shut down. David Walker asks whether the experiment was worth it

YOU CAN see the evidence on the ground. The spectacular renovation and re-use of the Albert Dock on the Mersey waterfront in Liverpool, the "Jade of the North" and Granada Television's studios. Those "Spender" backdrops on the Tyne; all glitz bars and restaurant boats. The planting of those wasteland acres between Middlesbrough town and the Tees. New tarmac pathways through the jungle of metal-hashing, dereliction around Oldbury in the Black Country.

Even we can see the evidence. From our tower on London's Canary Wharf, 50 storeys high, we look down on a Legoland of dockside offices and (hugely expensive) toy trains and tunnels where once were forbidding dock walls, rusting cranes and weed-infested water of the Thames.

All this is the result of Michael Heseltine's great experiment in urban renewal - the creation of urban development corporations to revive inner city areas - which, after 17 years, ended yesterday. The bits and pieces of land and buildings still left in the urban development corporations' portfolios were formally passed to local councils and successor bodies, such as English Partnerships.

As a result of the demise of the UDCs, the quango count is down. What else does the scorecard show? "Reappearance", said Michael Heseltine. "Billions frittered away in failed property developments" said Alan Milburn, the Labour MP, who as a member of the House of Commons Public Accounts Committee harried and hassled when the Tories were in power.

"It took a riot" was the title of the famous memorandum Michael Heseltine wrote to Margaret Thatcher in the wake of the Toxteth and Brixton disturbances of 1981. One of the shots brought out of the Whitehall locker to deal with depopulation on Merseyside - which Heseltine is out. Thatcher certainly believed caused the riots - was a specialist quango with money to buy land and the right to award itself planning permission, the urban development corporation. (The London Docklands Development Corporation had a different genesis, in the failure of London boroughs to agree what to do with their hundreds of hectares of redundant docks.)

There have been no urban disturbances like Toxteth since, it's true, but that is due more to the modernisation of the Merseyside police than the taming up of the Liver Building. Urban development corporations were about property not people. They were founded on the impatience of the Thatcher government (which Tony Blair probably shares) with elected councils. Their job was to speed up the business of acquiring land, making it fit for development, then selling it on.

Who eventually got jobs in the offices and warehouses was somebody else's worry - Canary Wharf, for instance, has not been a great source of employment for the residents of the deprived London boroughs of Tower Hamlets and Newham.

The dozen corporations claim a positive job count - at

least 150,000 jobs plus 27,000 homes, 2,400 hectares of derelict land reclaimed, 5 miles of road built and over 5.4 million square metres of industrial and commercial floorspace created.

Sir John Bourn, the Comptroller and Auditor General, concluded the corporations had made "valuable contribution towards regenerating their areas. That is a fair assessment. But all that cost at least £3 billion, probably more when separate subventions for road and rail projects are added in a lost revenue from the postal Enterprise Zone initiative subtracted. Within, say, the Black Country Development Corporation's area spent by other public bodies including the local council did not cease. It says something scandalous about how we spend public money in Britain that a body, not even in the dark reaches of Whitehall, knows quite how much was spent, to what effect.

Probably the biggest effort of their creation was to show (mostly Labour) councils it was a much more sensible route towards development and partnership with the private sector. The UDCs were modelled on the New Town corporate, which built Stevenage, Crawley, Basildon and Corby. But they built on agricultural land and pocketed, on the taxpayers' behalf,

Nobody, not even in Whitehall, knows quite how much was spent or to what effect

half, huge gains. There is a case for saying the UDCs have failed too early, leaving private sector developers to get the benefit. The corporations viewed in one light, represented a huge subsidy to private sector developers many of whom would have gone ahead with investments anyway.

We do know the cost per hectare created by the UDCs has been as high as £56,000 and that final bill for the 1.1-mile Limehouse Link road, from the City of London to the Isle of Dogs, exceeded £450 million.

Some UDCs worked, some did not. The quangos created in Bristol and Plymouth have been marginal in those cities. The Leeds corporation, based on the south central part of the city and the Kirkstall area, spent £55.7 million and attracted £350 million of private-sector investment. The investment was transferred from elsewhere.

It would be a brave person who said the development of central Manchester, Birmingham or Sheffield is now complete. There are, however, fewer holes in the ground. There are scores of inner-quangos still at work.

The Single Regeneration Budget has this week allocated a further £121 million to 10 projects. No surprise, then, to see several of the UDCs executives transferring to development or job creation projects paid for from the National Lottery.

Lottery transfers

Alistair Ball of Tyne & Wear Urban Development Corporation to	£m
London Docklands	6,277
Merseyside	461
Black Country	833
Teesside	928.9
Trafford Park	1,03
Tyne & Wear	1,260
Birmingham Heartlands	312.2
Plymouth	192

Private investment

UDCs	£m
London Docklands	6,277
Merseyside	461
Black Country	833
Teesside	928.9
Trafford Park	1,03
Tyne & Wear	1,260
Birmingham Heartlands	312.2
Plymouth	192

now health

هكذا من الآخر

19/FEATURES

DILEMMAS

The truth hurts, but what if it is fatal?

Nina's 53-year-old mother has cancer. Her doctor told Nina she only has between six and 18 months to live. She doesn't want her mother to know as she might give up the fight.

Though her mother has a weak character and tends to depression, Nina hates to feel she's deceiving her. What should she do?

VIRGINIA IRONSIDE

IT'S awfully difficult not to let strong personal feelings cloud any response to such a difficult and serious question. I would so long, myself, to know if we were going to die that I find it hard even to imagine anyone not wanting to know. The knowledge would give me a chance to tidy up my affairs, say goodbye to people, put right old wrongs, and, perhaps, have the most glorious last few months of life by living it to the full. Indeed for me it would be a real treat to be told, and far better than just popping off surprisingly with a heart attack in my sleep, the most people would prefer to die.

But there are those who shudder at the idea of being told the awful truth and one has to consider their views. And yet has Nina's mother's doctor really thought this through? He sounds a bit of a berk and anyway has no right to tell a patient's relative anything without her permission. Not only that, but there is absolutely no evidence that those who "battle" with cancer live any longer than those who weep and give in. Cancer is bigger than all of us, and no amount of visualisation, positive messages or Pollyanna-ish brainwashing makes any difference at all to the outcome. Battlers live just as long or as short as wailing hand-wringers. The doctor has also, by just telling Nina rather than her mother, put her in an impossible situation. He has let her into a ghastly secret, perhaps wanting, subconsciously, to unload the responsibility of telling the woman herself. Naturally, like an adulterous husband who wants

WHAT READERS SAY

Doctors should always take their cue regarding how much to tell the patient from the patient. The doctor has a responsibility to be honest with his patient and to give her as much information as possible, while at the same time making sure that she is not given more than she can cope with at any one time.

Dr Michael Wilks

Chairman of the Medical Ethics Committee, British Medical Association

My stepfather died two weeks ago, from bladder cancer. The family doctor told my mother that he had only a few weeks to live. It was my mother's wish not to tell my stepfather because she was able to

predict his reaction. Unfortunately, the doctor decided to tell him that his condition was terminal. He became extremely depressed and lost the will to live. He died a week later. The day after the doctor told my stepfather, my mother asked him if he wished he didn't know and he said yes.

You say your mother is not a very strong character and has a tendency to depression; then you must not tell her. At the moment, your mother must be feeling relatively fit and healthy; it's important that she feels like this for as long as possible. — Sheran Saint

I strongly feel that Nina's mother should know the truth, which will deeply affect the way she lives her remaining time. I am amazed actually that a doctor would conceal the truth from a woman of only fifty three.

— Anon, Eltham SE9

NEXT WEEK'S DILEMMA

Dear Virginia. After a great deal of distress and anxiety I have, at 45, managed to master a word processor and I'm now quite adept at it. But I work from home writing reports for a company and I've just had a letter saying that in future they will only accept stuff on e-mail or modem. I can't sleep for anxiety and sometimes cry at the prospect of trying to get the hang of it.

I don't know where to begin. I get different advice from everyone, using words I don't understand. My son's thrilled at the idea and says I'll be able to

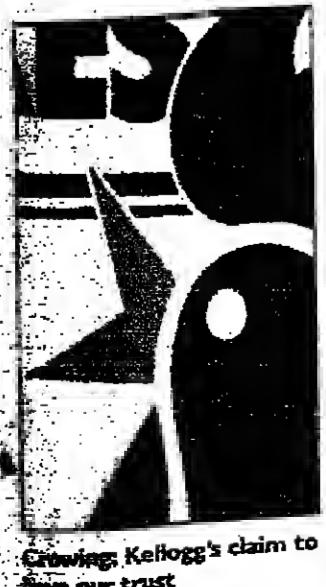
get on the net and communicate with people all round the world. But I don't want to. I know other people have phobias about new technology. Can any of your readers give me advice on how to overcome the terror I feel?

— Julie

Letters are welcome, and everyone who has a suggestion quoted will be sent a bouquet from Interflora. Send comments and suggestions to Virginia Ironside at the Features Department, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL (fax: 0171-293 2182), by Tuesday morning. If you have a dilemma of your own, please let me know.

Just how healthy is our unswerving trust in brand names?

Kellogg's have shown there's a fine line between advertising and exploitation, says Rupert Cornwell



Crowing: Kellogg's claim to have our trust

PARDON the pun, but Kellogg's is in hot water over its current advertising campaign, suggesting fat children who eat its cereals for breakfast can lose weight and avoid school bullies. The cornflake company stands accused of exploitation of misery for commercial gain: is there no limit to the cynical manipulations of today's corporate masters of the universe?

Kellogg's defence of its promotion was for its senior marketing manager to boast that "We are Britain's most trusted company. That's why we had the confidence to do this." But what else is to be expected? A collapse of public faith

in old-fashioned "institutions" is a worldwide phenomenon. Here, a study last year by the Henley Centre found that trust in Parliament had dropped by four-fifths between 1983 and 1996, to just 10 per cent. Confidence in the civil service tumbled from 40 per cent to 14 per cent, in the legal system and the Church to just 28 per cent. Only the armed forces have resisted the trend – but they're a pretty extreme solution to stop your child getting picked upon at school.

In a sense of course, this massacre of sacred cows is ut-

terly healthy, a breaking loose of the numbing, hypocritical tyranny of its past. But we humans must believe in something. And what doesn't let you down, what is within our control? Not God, not the courts, not the men from the ministry or the local authority, not your MP – but those stories you visit every week, and the brands they stock, among which you, sovereign in this small area of life at least, can choose. And we ask little of them. Barring bee- tles in the Rice Krispies or mould on the chocolate bar, they have fulfilled their part of

the bargain. Thus the new pillars of our insecure society: Kellogg's with a trust rating of 84 per cent, followed closely by Cadbury, Heinz, Nescafe and Rowntree. The places you buy them are equally esteemed: Boots and Marks & Spencer at 83 per cent, Sainsbury at 77 per cent, the Co-op at 57 per cent. The stores of course have long since offered their own brands. Some have moved much further: Sainsbury into garden equipment, DIY and hawking M&S into just about everything. Now, Kellogg's has merely indulged in a little lateral think-

ing. Ironically, that 24-carat image, the idyll of nature, breakfast, children and the family that decades of advertising have sealed into our subconscious, has made conventional brand-stretching tough for the company. So Kellogg's has sought to broaden the impact of its cereals themselves, not the range of products sold under its name. Is it wrong for a commercial company to use social issues like obesity and bullying to further its cause? Only, surely, if the claims it makes are false. For all the cautions of well-mean-

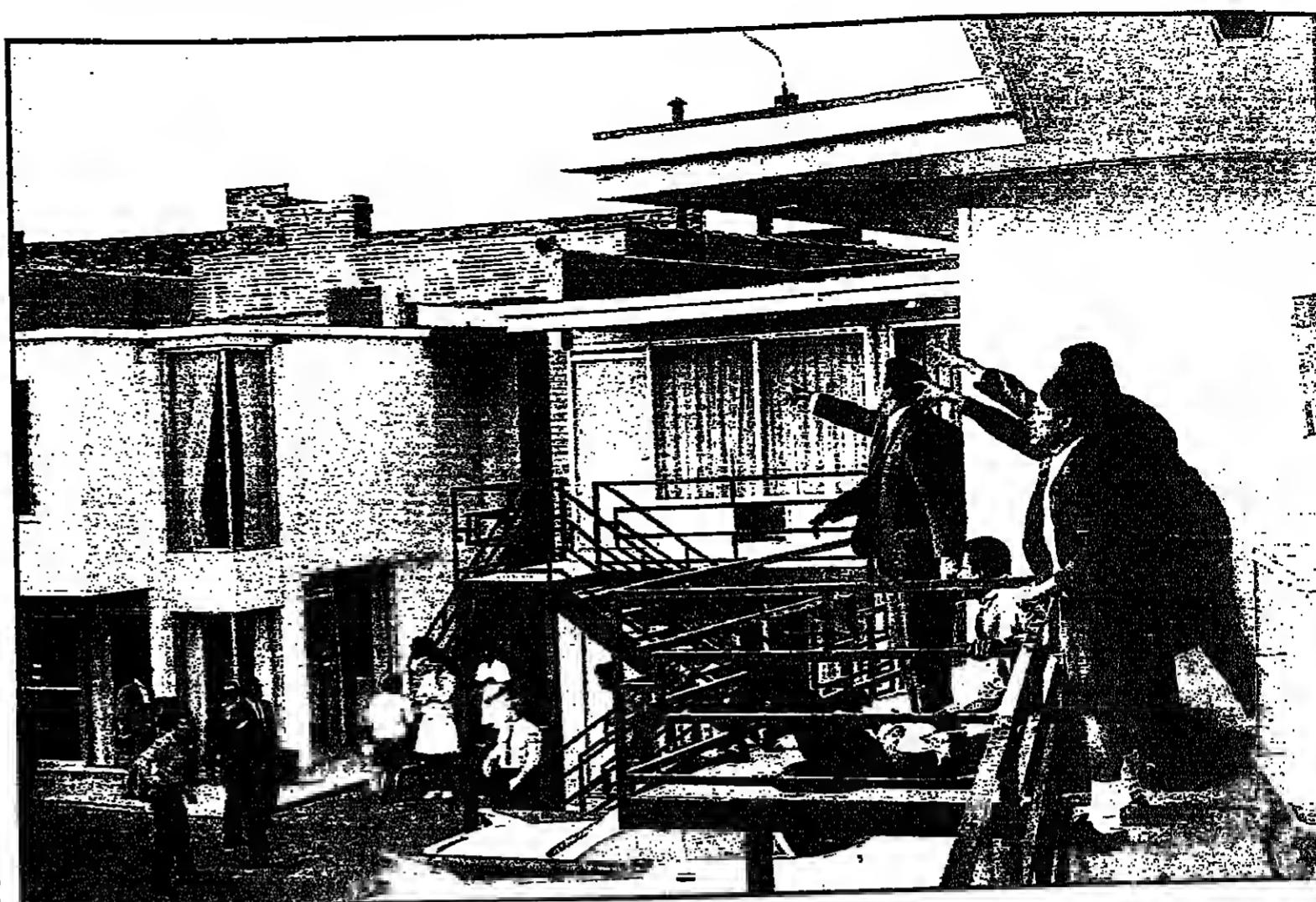
small way, it can really help. Or maybe, but hardly a breach of the Trade Descriptions Act.

And if we don't like it, then we have only ourselves, and the direction in which we have driven our society, to blame.

"This is an end product of the 1980s privatisations, the privatisation of risk," says Paul Edwards, Henley's chief executive.

"The institutions and everyone else are pulling back from sensitive areas like this." So consumer brands, with their capital of trust, move in to fill the gap. We may object, but in society's moral vacuum it's inevitable.

And who knows, it may lead to a Kellogg's foundation for the study and treatment of bullying.



Aftermath: Witnesses react after the shooting of Martin Luther King at the Lorraine Motel in Memphis in 1968

Photograph: Joseph Louw/Colorific

A dream that will not fade

ON A sidewalk in downtown Memphis, Jacqueline Smith – a black woman with a deep respect and love of the late Dr Martin Luther King junior – is urging a coachload of British tourists to stay away from the museum which commemorates his life and work.

As she speaks to them, in sight of the infamous motel balcony where, on 4 April 1968, Dr King was shot dead, she gestures to the sofa, momentarily empty, which is her home. Once, Miss Smith had another home – a simple room in the Lorraine Motel, where 30 years ago this week, Dr King lost his life. Then the idea was born which led to the conversion of the motel into the National Civil Rights Museum – and Miss Smith, like the other tenants, was evicted from her home.

It was in January 1988 that the motel was closed down so that work could begin on converting it into the \$9 million museum. Two months later Jacqueline Smith was forcibly removed from her room by the Sheriff's office and dumped on the sidewalk with her furniture.

That was more than 3,700 days ago and she has lived here ever since.

Now she tells the eager sightseers of her life. As she poses for photos they agree to abandon their visit and turn their backs on the motel.

"They asked me 'what are you going to do now?' And so I said I'm going to stay right here where you put me," recalls the 46-year-old who is heavily wrapped in a blue lumberjack jacket against the chill of a cold Memphis spring.

"I had lived in this motel for 11 years – losing my home was bad enough, but turning it into a tourist attraction was a disgrace to the memory of Dr King."

"Somebody shouted 'Bye bye Jackie' and this truck rammed into my tent on the

sidewalk. It was one of those trucks with the big wheels, it ran right up and smacked into us."

The truck missed Jacqueline, but ran over the arm of a companion. He wasn't seriously hurt but Jacqueline is convinced that it was a real attempt to get rid of the nuisance that she had become.

And she has become a nuisance. Alongside the sofa, large banners demand that visitors boycott the National Civil Rights Museum. A small table is covered in books, a bible, a box for donations and one of the many files she has

come by here to see if I'm okay, see if I need anything. I don't work, I don't have a job. I just get by on the kindness of the people who support what I do".

The Lorraine is in a neighbourhood that not even the bravest of souls would want to spend a night tucked away on a street of cracked paving stones and sunken tarmac. Miss Smith, however, is a survivor:

"I mean I'm still here, I sleep here at night and nobody has bothered me. All around there's

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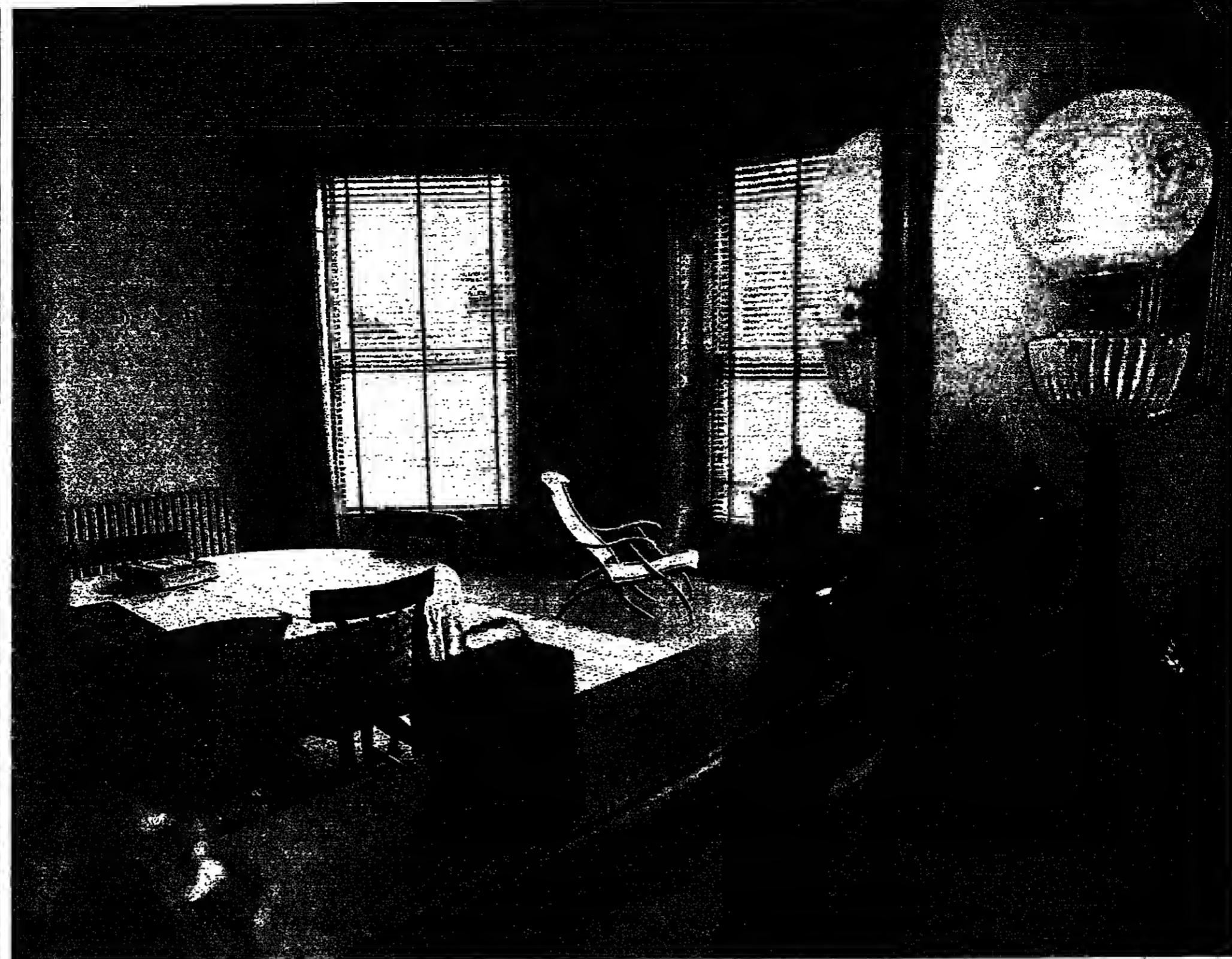
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A portrait of Darwin hangs above the stairs (above). The steamer chair by the bay window (right) reveals his nostalgia for the five years he spent on HMS 'Beagle'. In his ship-shape study (below), he was meticulous in his labelling of artefacts

Photographs: Brian Harris



Monument to science, if not to style, Nambood

CHARLES DARWIN has a clone. He is the whiskery head of museums collection and interior decoration at English Heritage. Julian Bryant, 40 – the same age as Darwin when he wrote *The Origin of Species* – has spent two years restoring Darwin's workplace and family house, Down House, on the fringes of south-east London. It opens to the public next week.

In a frock coat with side-burns pasted to his jowls, he poses at Darwin's microscope for TV programme *Blue Peter*. "At last, my broad forehead comes into its own," he says. "But I haven't had whiskers like these since the Seventies."

"Jolly good likeness," says Stephen Keynes, Darwin's great-great grandson, who is setting up an international educational charity for natural history.

Charles Darwin's newly restored home brings to life a genius who had terrible taste, Nonie Niesewand reports

tory on the estate. His advice to English Heritage was to keep the house shabby.

The timing of opening the house, on Good Friday, is brilliant. Darwin is back in fashion, with BBC2 running a week of programmes about him. "Science is sexy again," says Down House manager, Tracy Thursday.

This was the first time English Heritage had restored a house without particular architectural significance, or period rooms that would pass the style trial. It used old photos and paintings to rebuild the five period rooms downstairs – the hall, billiard room, dining room and drawing room, and Darwin's study. Through paste and paper, wall-to-wall Axminster carpets and meticulous prop-

erty to Darwin, but dry rot and woodworm began to get the better of the fabric of the house. The roof needed attention. So, in 1996, English Heritage acquired Down House through a donation from the Wellcome Trust and spent £2.2m of lottery money on its restoration.

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Each room illustrates a different aspect of Darwin's personality, while remaining true to the original decor. In the hillocky coloured billiard room are portraits of the playful Darwin, whose father cautioned: "You care for nothing but shooting, dogs and rat-catching and you will be a disgrace to yourself and all your family." On a patriarchal picture, taken late in life by Julia Margaret Cameron, he writes: "I like this photograph very much better than any other which has been taken of me."

The austere and dignified dining room shows his Anglican, Tory establishment background, with late Regency mahogany furniture, family portraits of the Wedgwoods (his wife's family) and the Darwins, and his bust in marble on a plinth. A steamer chair by the bay window reveals his nostalgia for the five years he spent on HMS Beagle.

So does his ship-shape study, in which Darwin labelled everything, including his slide rule by *Hello!* would photograph if the pigeons were still alive.

That dialogue continues after his death. This summer, a scientist from the Smithsonian Institute in the US, who discovered a blood stain in one of Darwin's books, will take a DNA sample to reveal whether Darwin really caught Chagas fever from a South American beetle. The sweatband from Darwin's top hat was rejected as unsuitable for this piece of forensic science. Whatever his ailment, Darwin was a chronic hypochondriac, as the spittongs, inhalers, knitted shawls and daily medical records reveal.

Darwin as a family man is depicted best in the drawing room. Standing on the piano are garden pots full of worms. Darwin's children would play the harpsichord and piano to them while their father observed the effect of music on worms living. Unlike most Victorian

households, children were seen and heard here. His wife Emma's interest in natural history spills over into the decoration, with it cow parsley, wheat sheaves, poppies and butterflies – and that's just the curtains.

Clearly, the Darwins had execrable taste. A profusion of pattern and riot of colour set raspberry and cobalt blue, peacock and magenta against each other in the same room. Worse, Darwin and his wife did not buy Arts and Crafts wallpaper and fabrics, but the cheaper high-street equivalent, which English Heritage had a hard job matching.

Working with classic English paint, paper, fabric, lime and Axminster carpet manufacturers, Mr Bryant researched the products available at the time. Then he sourced them from suppliers' archives, cross-matching colours and patterns like a true scientist. The task of decorating the rooms again was made harder by the Darwins' indifference to Art and Fashion. As Gwen Raverat wrote of her relatives in *Period Piece*: "When

they bought an armchair, they thought first of whether it would be comfortable, and next of whether it would wear well. Then, a long way afterwards, whether they themselves happened to like the look of it. The result, though often dull and sometimes unfortunate, was on the whole pleasing because it was, at any rate, unpretentious."

Mr Bryant was undaunted.

He saw his task as drawing a portrait of Darwin in everyday household things. "Their taste was a slight problem for me," he admits, "but the only time he lost his nerve was in the drawing room, where he couldn't bring himself to have the cornices painted mauve and gold. So, they are magnolia."

Seven bedrooms upstairs have been turned into exhibition rooms to tell the story of a conventional Victorian who shocked the world. They show that his scientific knowledge got off to a slow start: the dunces at school, fossil collecting at Cambridge, years on the *Beagle*, meticulously collecting flora and fauna from far-flung

South America. The Natural History museum has lent so stuffed animals, including puffin, pangolin, a giant white fulmar, spreading wings, and a Galapagos tortoise. No apex in a clamorous room of actors playing important bishops and politicians vying *On the Origin of Species* takes us up, to date with netics and the cloning of Dolly the sheep.

If visiting scientists complain that there isn't enough inform the Cambridge undergrad here, Mr Bryant will then be didn't do up the house for them. Rather, it is to popular learning centre for young. Nor did he reconstruct it for the style police, who know why there aren't papered next to an upholstered chair. He dismisses this as chimpanzee approach to conservation", from which I sume he despises artific and, in particular, unnatural selection. Darwin would app

Down House, Lizard, Kent by timed ticket only, booked one day in advance call 0870 6030145



What shape is the next century?

The Millennium Products are absent from a new exhibition of British design, says Nonie Niesewand

TONIGHT, the Prime Minister opens Powerhouseuk, an exhibition of British design products inside four silver, inflatable pods on Horseguards Parade. Yet, the Lotus chosen by the Design Council as a Millennium Product will not be pulling up smoothly outside. Although Tony Blair will be announcing 202 of the Millennium choices at tonight's bash, only four of them have been included in the Powerhouse.

The rest would have been Cinderellas anyway, because you'd need a fork-lift truck to get them to the party. In fact, one of them is a fork-lift truck. The Design Council's Millennium Products list includes aircraft ejection seats and bolt-down public benches, or the six-lane covered railway and emergency bridge joining Hong Kong to its new airport, and the Eurostar train. They represent ingenuity – and heavy industry.

Sexy they are not. But that's a description Powerhouse can claim – the gizmos and gadgets drummed up by architects Doug Branson and Nigel Coates



Heavy metal: Eurostar and the Lotus are on the Design Council's list

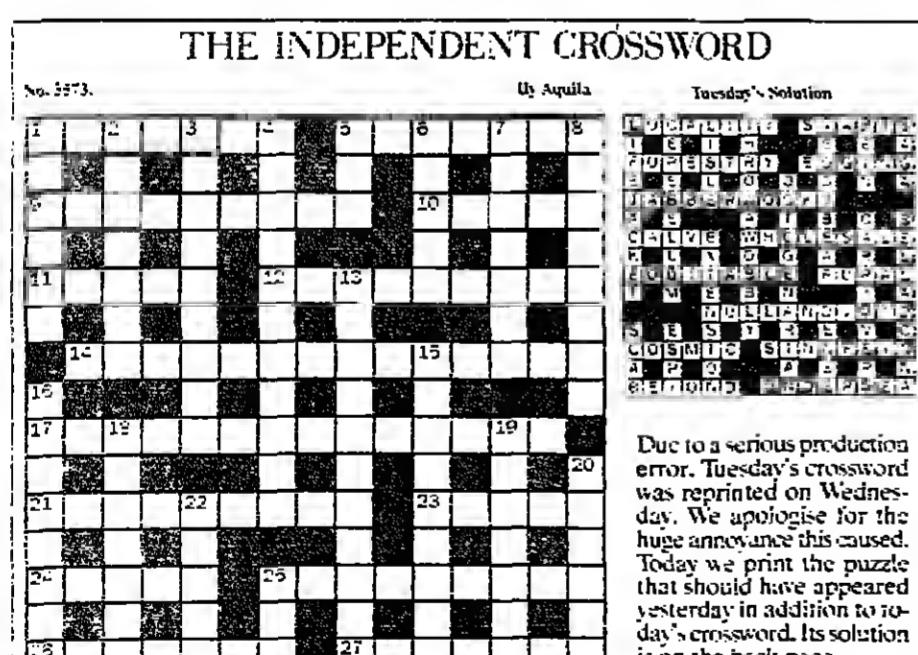
and taxicabs against a cityscape made of packaging, to show off the best of graphics in the Communications pod. Suitcases whizz on a carousel packed with fashion and chairs, calculators and computers in the Lifestyle drum. Over at Networking, attitude, especially in the workplace, gets an overhaul to show our competitors how we grew multi-national.

The Powerhouse includes a Scalextric track whizzing with miniature buses

and cars set against a cityscape made of packaging, to show off the best of graphics in the Communications pod. Suitcases whizz on a carousel packed with fashion and chairs, calculators and computers in the Lifestyle drum. Over at Networking, attitude, especially in the workplace, gets an overhaul to show our competitors how we grew multi-national.

Products so far all seem a bit wonky, yes, with insecticide spray which reduces drift and water-based paintstrippers. Educational, too. Innovative in the way they cut diesel emissions on trucks. But just what do pairs of cows' galoshes designed to fit their legs aching and milk production say about British design?

Powerhouseuk opens on Sunday 4 April



ACROSS
1 Screwed up, having credit relaxed? (7)
7 Fool's means of raising a vessel (7)
9 Telegraphed reply, we hear, from Austerlitz originally? (5-5)
10 An aim to treat a thing (5)
11 Intended for singing in a light voice (5)
12 Absorbed fat in need, possibly? (9)
14 Novel of Capricorn, etc coming out? No, the other one! (16-6)
17 Three-round courses – finished off in the nineteenth (4,10)
21 Brazilian measure to make manager a star (5)

DOWN
1 Keep changing time for soprano? Neat! (6)
2 Ruler through in Rome, perhaps? (7)
3 Not, presumably, works of Landseer (9)
4 Dim for players, soccer ended in confusion (11)
5 Shock when rule is overthrown? (3)
6 Star's brief appearance (5)

15 Amounted to nothing (5-4)
23 Arm with revolver? (5)
24 Shame tar has been split (5)
25 Annie's home, raising the issue (9)
26 Helping poor relations (7)
27 Extremely dirty, unpleasant house? (7)

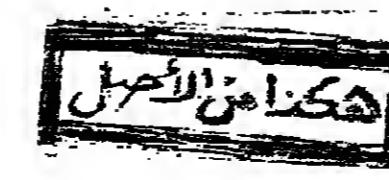
16 Cab's ordered by poet – one taking in Toledo (8)
18 Parcours at university receives shock? (7)
19 Tricks to enraged parents (7)
20 Bad-tempered American in corner, yodelling (6)
22 White-faced like Partlet (5)
25 Circle of French lines (5)

Due to a serious production error, Tuesday's crossword was reprinted on Wednesday. We apologise for the huge annoyance this caused. Today we print the puzzle that should have appeared yesterday in addition to today's crossword. Its solution is on the back page.

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FTSE breaks 6,000 as rates tension rises

By Diane Coyle
Economist - TCI

THE London stock market yesterday shrugged off the rising tension over interest rates, closing above the 6,000 mark for the first time.

Ahead of next week's meeting of the Bank of England's Monetary Policy Committee, the latest business survey showed a surprise pick-up in manufacturing last month, as strong domestic orders outpaced a drop in export orders for the third month running.

The pound remained at its uncomfortably high level, with the index edging up by 0.1 to 108.9. The dollar also crept higher, boosted by a similar survey showing strong activity in industry.

The Conservatives tried to make political capital out of the mounting complaints of exporters, with William Hague, the Tory leader, warning in the House of Commons that manufacturing industry was being driven to the brink of recession.

Tony Blair replied: "It is vital that decisions in respect of the pound and economic policy are taken on a long-term, not short-term, basis so that we never go

back to Tory boom and bust."

In a speech last night, Eddie George, governor of the Bank of England, described movements in sterling as a "roller-coaster ride," and said the strength of the pound posed a real dilemma on monetary policy. He said the Bank did take full account of the impact of the strong pound on activity in the cost of borrowing from the current level of 7.25 per cent.

But he said: "It nevertheless remains at the margin a fine judgement whether domestic demand will in fact slow soon enough and fast enough to avoid inflation eventually picking up."

While giving no clue about the likely outcome next week, he echoed the Chancellor of the Exchequer in concluding: "At the end of the day it cannot make sense to sacrifice our objective of long-term domestic stability."

Meanwhile, there was no let-up in the pressure from industry. The Institute of Management reported that among a small survey of its members, six out of 10 in manufacturing wanted to see a reduction in interest rates, while in services more than five out of 10 thought they should stay the same. Predictably, only a mi-

nority saw any case for higher interest rates.

Attention today will focus on Mr George, who is due to give evidence to the Treasury Select Committee. But City analysts predicted that the outcome of next week's meeting of the MPC would be another split vote resulting in no change in the cost of borrowing from the current level of 7.25 per cent.

Yesterday's survey from the Chartered Institute of Purchasing and Supply showed an acceleration in manufacturing activity, with the index rising to 52.2 from 51. It has been above the watershed of 50 for 22 months running.

Home demand for consumer goods was particularly buoyant, with output expanding in March to meet stronger order books.

Peter Thomson, director-general of the CIPS, described the results as "subdued," pointing to a drop in export orders for the third month running. In addition, respondents reported a fall in employment for the first time since August, and the price of raw materials fell for the 30th consecutive month.

Figures from the Halifax showed that house prices rose by 0.6 per cent in March.

Signs of divide between north and south grow

By Diane Coyle

THE NORTH-SOUTH divide has re-emerged and will grow even wider, according to a stark warning today. The combination of stagnation in manufacturing and the clampdown on public spending have harmed job and output prospects in the North, while the South-east is enjoying a boom thanks to flourishing private sector services.

The gap in employment growth between the north and south last year – 1 per cent versus 2.3 per cent – was the biggest since 1984, according to regional consultancy Business Strategies.

It forecasts slower jobs growth in both this year, but a widening gap. And next year could bring a shake-out of 6-7 per cent of manufacturing jobs, with dismal results for industrial regions.

"There are lots of signs of the north-south divide opening up again," said Neil Blake, research director. "If there is a risk of overheating, the place we have to look for it is in the South-east of England."

But he said the Bank of England's Monetary Policy Committee would have to react to what was happening in the booming capital, with the slowdown taking place in Wales, Scotland and the northern region. He predicted an increase in interest rates within the next few months, saying that a continuing boom in the South-east would only mean a bigger recession everywhere later.

A further risk to some regions

stems from the danger of reductions in investment by Asian companies. Although a small proportion of total investment, inward investment from Asia has created a large share of the job.

Between 1985 and 1997, big Japanese and Asian projects accounted for 43,560 jobs out of a total of 105,160. These were heavily skewed towards Scotland, Wales, the North-east and Northern Ireland. "Wales has the most to lose," warned Mr Blake.

The underlying regional gaps stems from the greater dependence of areas such as the Midlands and the North of England

on manufacturing. Industrial output is forecast to slow to virtually zero this year, with a one-in-four danger of outright recession.

Within manufacturing, only engineering is likely to enjoy decent growth. This will be driven mainly by a boom in aerospace orders and new investment in rail rolling stock by the privatised operators.

The Government's tough control of public spending will exacerbate the divide. Mr Blake said: "The less prosperous the area, the more dependent it is on the public sector."

CWC parted company with Philip Langsdale, its IT director, on Tuesday following a review by the accountants Coopers & Lybrand. Ted Hatch, head of networks, is likely to be moved to another part of the group. The two were part of CWC's 12-strong senior management team. Neither had a seat on the company's board. It is not clear whether Mr Langsdale will be replaced.

As part of the "optimum re-sourcing review" initiated by Graham Wallace, CWC's chief executive, Coopers is understood to have asked every CWC manager to write a detailed job description. Where two descriptions are similar one of the jobs is likely to be phased out.

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OUTLOOK ON PROBLEMS FOR THE US TOBACCO SETTLEMENT, FINANCIAL REFORM IN JAPAN, AND THE ITC DECISION ON BUNDLING TV CHANNELS

Cigarette makers' deal goes up in smoke

THE SMOKE was already rising from the global tobacco settlement reached in the US last June between cigarette manufacturers and state authorities. Now Congress has lit a match under it. By this time next week there may be nothing left but ashes. As the Arizona senator John McCain has piloted the Tobacco Bill through Congress, the financial health warning on the side of the package has grown larger and larger.

Nine months ago the cost of the 25-year deal to industry was set at \$368bn. Now it has ballooned to something not much short of \$600bn. Of this \$125bn will have to be handed over in the first six years, irrespective of how much worse the market and regulatory climate in the US get for tobacco.

The industry thought it had struck a deal whereby it couched up the cash and took voluntary steps to wean teenagers off the weed. In return it would get immunity from further legal action and punitive damages for past misbehaviour.

Now transpires that the only limit is on legal payouts exceeding \$6.5bn a year, that the settlement will not cover class actions brought by litigants other than state authorities and that it will have to meet mandatory targets for curbing teenage smoking. To cap it all, senators yesterday passed a resolution demanding that no legal protection be afforded to the tobacco industry. It was a non-binding resolution but nevertheless it gives a fair indication of the way the smoke is blowing in Congress.

Faced with this, the industry has sat back, taken a long drag and decided the settlement is not worth a candle. It will

legally challenge some of the provisions but the settlement is increasingly looking dead in the water. Investors have understandably become unsettled and share prices have begun to wobble but nowhere near as much as they would have done had the industry indicated it was prepared to accept the new settlement.

BAT, which is number three in the American cigarette market, was already looking at forfeiting most of its US profits to fund the \$368bn settlement, even with a \$1.10 cent hike in a packet of 20. A settlement costing almost twice that would, says BAT, put it the industry out of business.

That would be one way of cutting smoking. But it would not help the US government fund the astronomical Medicare bill it already faces to tackle past and present smoke-related illnesses. Smoking kills and there is therefore a lot to be said for Congress playing hardball with the tobacco industry. Particularly since, unlike the situation here, US tobacco taxes do not come remotely close to covering the costs of smoking to the health service.

But there is a point at which Congress will kill the goose that lays the golden egg, to the disadvantage of its own public finances and public health. That point looks to be near.

Not such a Big Bang in Japan

HOWEVER anti-climactic its beginning yesterday, Tokyo's "Big Bang" has the potential to be the biggest institutional

change to take place in Japan since the war. If they are followed through, the rolling programme of financial reforms, more a series of canon salvos than a single unified explosion, will throw wide open one of the biggest and most lucrative markets in the world.

One third of the world's savings - some £5,400bn worth - are held in Japan. For decades Japanese savers - cautious by nature and starved of choice - have put up with derisory interest rates in order to allow Japanese banks, with the connivance of the Ministry of Finance, to lend on the cheap to companies in which they then invest.

The strategy has come horribly unstuck, not just in Japan but across the Pacific Rim. Protected markets, inefficient financial institutions, cronyism and corruption have conspired to leave the banks with enormous problem loans and seriously weakened balance sheets. Hardly the most auspicious basis from which to launch such fundamental reform.

The documents detailing the various stages of the Bang stand four inches thick, but its broad purpose is twofold: to tear down the barriers which prevent Japanese banks, brokers and insurance companies from competing in one another's businesses; and to expose them to competition from foreign rivals all over the world.

If the reforms work as intended then we will see an extraordinary sea-change with weak domestic banks going to the wall and the creation of a huge mutual fund

market which would not only serve its corporate sector better but transform returns to savers and investors.

But don't bet on it. There are already some signs of hawksiding. The commitment to end exchange controls is hemmed in with catches while the willingness of the Japanese government to bale out 21 banks only last month with a Y1.800bn capital injection hardly looks like the act of an administration eager to usher in competition.

Japan's institutions will adapt to survive. Throughout history, they have had a knack of transforming themselves on the outside while retaining their essence within. In the 1860s, the country opened up and modernised itself after 300 years of feudal isolation; and yet the caution, group consciousness and uniformity of the feudal era remain as strong in some ways as they were 200 years ago.

Five years ago, to take another example, observers marvelled at the sudden overthrow of the Liberal Democratic Party, after forty odd years in power; but now it is back, arguably with a firmer grip on power than before.

Politically, Big Bang is a risky undertaking for the prime minister, Ryutaro Hashimoto with a lot of big vested interests ranged against the project. If he fails, there is no guarantee that a successor will pursue reform with such vigour.

The domestic bankruptcies which are bound to result from increased foreign competition may foster a nationalist backlash - only this year, a right wing gangster held

an official of the Tokyo Stock Exchange hostage for five hours demanding that Big Bang be abandoned as an unpatriotic sell out to the west.

Powerful vested interests stand to lose out in the process of reform and though they may appear to be on the ropes, they are not yet beaten.

Real choice for pay-TV viewers

COUCH potatoes should applaud. After 18 months of investigation the Independent Television Commission has finally concluded that pay-television consumers are best served if they can choose which channels they want to subscribe to.

After all, it was always a nonsense that they be required to take a package that included the Weather Channel or the Carlton Food Network when all they really wanted was the football on Sky Sports. By introducing real choice the ITC has ensured that channels that no-one wants to watch will either have to smarten up their act or wither die.

But what about BSkyB? Until now, the practice of bundling has allowed Rupert Murdoch's broadcaster to charge equal amounts for channels with such varying appeal as Sky One (which is popular) and Sky News (which is not). Yesterday's changes mean Sky will have to start charging the full whack for the popular channels. Will the viewers accept it? Watch this space.

US tobacco settlement on brink of collapse

By Andrew Yates in London
and David Usborne in New York

THE AMERICAN tobacco industry's landmark \$368.5bn (£233bn) settlement with US states was on the brink of collapse yesterday. Cigarette manufacturers threatened to abandon the deal in response to a move by the US Congress to raise the total payment to as much as \$600bn amid growing hostility towards the industry.

A key committee in the US Senate is set to pass a draft bill which imposes much tougher terms on the tobacco giants and will replace the agreement reached with state attorney generals last June. Notably, it strips away most of the legal protections written into the original pact.

Under that agreement, the tobacco firms would pay \$368.5bn over 25 years and take voluntary steps to curb advertising and reduce smoking

among teenagers. In return, they would earn a ban on class-action suits against them as well as immunity from punitive damages for past misconduct.

The Senate bill, drafted by Senator John McCain of Arizona, would offer no such blanket immunity. Instead it would merely set a cap of \$6.5bn on civil liability damages that the industry would have to pay in one year.

Big tobacco companies, including Brown & Williamson, a subsidiary of BAT Industries, warned yesterday that they would not sign the new deal, claiming it would force some manufacturers into bankruptcy.

The tobacco companies are likely to walk away from the entire deal if the US Congress is unwilling to compromise - and at the moment it shows no signs of doing so.

The tobacco industry is also threatening to take legal action if the US authorities force com-

panies to cut back on cigarette advertising or make them provide extra money to help prevent young people taking up smoking. The manufacturers will drop these measures if the wider agreement breaks down.

BAT said yesterday it was willing to return to the courtroom to fight lung cancer victims if the deal floundered. It would merely set a cap of \$6.5bn on civil liability damages if the deal floundered. It would merely set a cap of \$6.5bn on civil liability damages if the deal floundered.

The original agreement

While the McCain bill faces several hurdles, the move by Congress has left a cloud of uncertainty hanging over the industry and it sent tobacco shares skidding in New York. Shares in RJ Nabisco, whose subsidiary RJ Reynolds makes Camel cigarettes, and Philip Morris,

which makes Marlboro, continued to slide yesterday. In morning trading yesterday, Philip Morris was off \$1.4375. On Tuesday, Philip Morris stocks dropped \$1.3125 to \$41.675 while shares in RJ Nabisco slid \$1.875 to \$31.3125. In London, BAT shares eased 5.5p to 603.5p.

A withdrawal of the tobacco companies from the settlement process could lead to all-out warfare between them and lawmakers, leading to long instability in share prices.

The negative sentiment in Congress was vividly demonstrated, meanwhile, by a non-binding resolution that was overwhelmingly passed by senators 79-19 on Tuesday demanding that no legal protections be afforded to the industry.

With elections in November, it seems that few in Congress dare expose themselves as friends of the tobacco industry.

Outlook, this page

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Philip Healey, editor of *Acquisitions Monthly*, said: "Advisers working on the failed deal will still have picked up around £20m in fees, while those involved

Schroders takes first place in merger league

By Les Paterson

SCHRODERS has stolen Lazear Brothers' mantle of number one UK mergers and acquisitions adviser, according to a new survey.

Despite the numerous stalled mergers at the beginning of this year, the first three months of 1998 have been a record period for UK corporate activity.

These are the key findings of the latest *Acquisitions Monthly* survey of UK merger and acquisition activity, which also estimated City advisers lost £400m when the £4.3bn merger of Glaxo Wellcome and SmithKline Beecham, the pharmaceutical giants, fell apart earlier this year.

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Top 10 advisers

January-March 1998
Ranked by value of transactions

	Value, £m
1 Schroders (15)	4,282
2 Deutsche Morgan Grenfell (12)	2,741
3 CSFB (5)	1,648
4 SBC Warburg Dillon Read (2)	1,618
5 NM Rothschild (7)	1,532
6 Morgan Stanley (4)	1,533
7 Lazear Bros (1)	658
8 DLA Phoenix Securities (17)	634
9 Robert Fleming (15)	502
10 Barings Brothers (13)	462

Source: 1997 rankings in brackets

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with the lapsed Reed Elsevier merger with Wolters Kluwer took home an estimated £15m.

Between January and March of this year, *Acquisitions Monthly* recorded 438 UK transactions with a total value of £16.2bn. During the same period last year, 319 transactions were recorded with a total value of £10.7bn.

Schroders advised on six of the 41 UK public takeovers, with a combined value of £4.3bn. It was also involved in the largest UK public takeover so far this year - that of Allied Colloids by Ciba of Switzerland.

Lloyds TSB takes £100m loss on Black Horse sale

LLOYDS TSB, the banking group, is to take a £100m loss following the sale of Black Horse, its estate agency group, to Bradford & Bingley Building Society for £56m. Lloyds said it would make a £30m profit on the sale itself, but, after charging goodwill arising on the acquisition and previously written off to reserves, it would include a net loss of £100m in its profit and loss account in the first half of this year.

Liffe considers full-timer

THE LONDON International Financial Futures and Options Exchange (Liffe) has confirmed it is considering having a full-time chairman as part of proposed changes to its management structure. Liffe's plans for change, due for debate at a forthcoming extraordinary general meeting, also include proposals to reduce the size of its board. Liffe is engaged in a battle for market share with the electronic Deutsche Terminbörse (DTB), which yesterday said it saw a record 15.7 million contracts traded last month.

£2.1m gains for directors

TWO DIRECTORS of Independent Insurance have netted paper profits of around £2.1m each, the company disclosed yesterday. Phillip Condon, deputy managing director, and Alan Clarke, head of the group's international division, exercised 150,000 options each at a market price of 1727.5p. The options were granted between 1991 and 1994 at prices ranging between 200 and 275p. Mr Clarke also sold 77,601 ordinary shares at 1625p, worth around £1.3m.

FSA appeal to investors

THE FINANCIAL Services Authority, the City's top regulator, has issued a public appeal for investors to come forward if they have dealt with Stirling Montague & Speke, an unauthorised firm operating from offices in Jermyn Street, London. The regulator yesterday obtained a High Court injunction freezing the worldwide assets of Steven Rhodes, who used the firm to sell shares in a US company called International Resorts and Entertainment Group. The FSA can be contacted on 0171 638 1240.

BICC wins hospital project

A CONSORTIUM led by BICC, the cables to construction group, has won a private finance initiative (PFI) deal to build a new hospital for North Durham. The consortium, which includes the Royal Bank of Scotland, will provide £96m of finance for the project. Construction is due to start immediately.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Brents Service Group (F)	30.47m (29.34m)	1.658m (1.217m)	9.8p (6.5p)	4.0p (3.5p)
CNC Properties (F)	11.5m (7.36m)	4.1m (2.35m)	10.8p (12.3p)	3.3p (3.0p)
French Connection (F)	9.37m (8.23m)	8.2m (6.2m)	27.5p (17.8p)	3.25p (-)
Independent News (F)*	568.8m (419.1m)	100.1m (73.5m)	23.0p (16.5p)	7.8p (6.8p)
Johnston Press (F)	212.0m (165.0m)	34.6m (24.1m)	11.8p (10.1p)	20p (1.0p)
Lands Improvement (F)	12.0m (39.16m)	0.720m (4.031m)	3.2p (1.3p)	4.75p (4.75p)
Alfred McAlpine (F)	655.1m (527.4m)	20.734m (19.425m)	16.8p (10.0p)	7.5p (7.0p)
Technoplast (F)**	53.04m (68.12m)	8.243m (16.808m)	0.46 (1.06)	n/a (-)

(F) - Final * Irish pounds ** new Israeli shekels

ITC plans to outlaw bundling on pay TV

By Peter Thal Larsen

called minimum carriage requirements have forced cable TV operators to

THE INVESTMENT COLUMN
EDITED BY ANDREW YATES

A great story
in local news

THE LOCAL newspaper market has never been far from the City headlines over the last 18 months. The industry fireworks have been ignited by the big media groups who have put their regional newspapers up for auction to concentrate on more glamorous TV and publishing interests. The rapid consolidation of the market has led to the creation of powerful and acquisition hungry newspaper groups such as Johnston Press.

Johnston put its name on the map by buying Emap's 65 regional titles for £13m. The deal looks well timed. The strong economy has caused revenues to take off across the industry last year, driven by a sharp rise in advertising income.

Johnston's like-for-like advertising revenue rose 8 per cent thanks to a 30 per cent rise in recruitment commercials. Economics of scale from the Emap deal and a fall in newsprint prices saw margins jump from 16 to 21 per cent. Together these led to a 44 per cent rise in pre-tax profits to £34.6m in 1997.

The slowdown in the economy raises concerns that Johnston will be hard pressed to continue growing at this sort of rate and the group acknowledges that advertising growth is bound to slow. But analysts predict it is still likely to grow at 5 per cent this year. And there is still plenty of scope to cut costs. The margins at the Emap business are still only 21 per cent compared to 27 per cent at the existing Johnston titles.

The £52m acquisition of Home Counties Newspapers has been held up by an MMC enquiry. Even so the rationalisation of the industry is bound to provide Johnston with further buying opportunities. And as the group expands so does its buying power which will reduce costs further.

Johnston is also working hard to clear out the worst performing bits of its business. Its troubled book binding has gone and the stationery wholesaling business will probably be next.

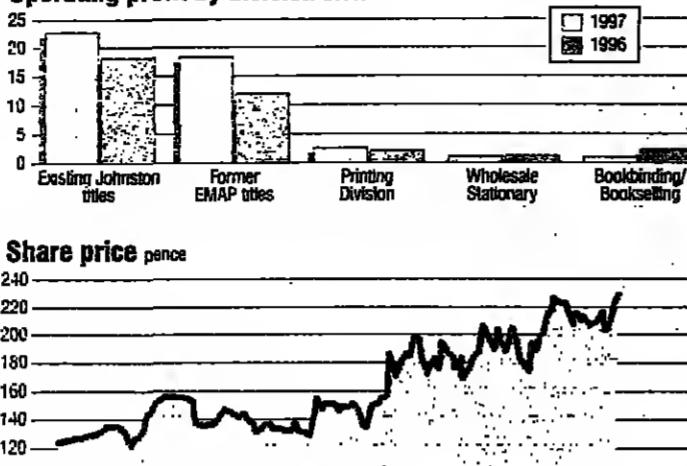
Johnston's shares rose another 3.5p to 231.5p on the results. Analysts forecast full year profits of around £45m putting the shares on a prospective PE ratio of 16. The shares remain good value.

Johnston Press: At a glance

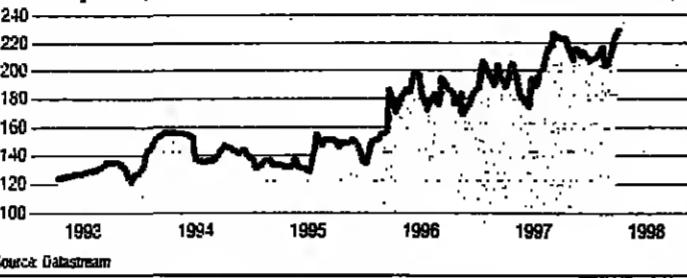
Market value: £464m, share price 231.5p (+3.5p)

Five-year record	1993	1994	1995	1996	1997
Turnover (£m)	86	95	102	165	212
Pre-tax profits (£m)	12.5	14.7	16.9	24.1	34.6
Earnings per share (p)	1.6	1.9	2.1	2.5	3.0
Dividends per share (p)	6.3	7.9	7.9	9.8	13.1

Operating profit by division £m



Share price pence



Laying the ghosts
in construction

EVEN now, it is hard to mention a construction company's results without referring to the building slump which almost crippled the industry in the first half of the 1990s. However, Alfred McAlpine laid some ghosts to rest yesterday by announcing a doubling of profits to £24.1m for 1997.

Back in 1995, the effects of the construction downturn were still very much in evidence. McAlpine was reconstructing itself but ran up a £101m deficit in write-downs and losses from discontinued businesses which lead to the resignation of Peter Parkin, then chairman and chief executive.

His successor as chief executive, Oliver Whitehead, pursued a tough-minded strategy, quickly exiting from general building work – to cheers from the stock market. The group has fo-

cused on construction services, such as maintenance, and special engineering projects, including football stadiums such as Huddersfield Town.

By ditching the cumbersome process of dealing with architects as agents, and by forming direct partnerships with customers, the special projects division returned to the black last year.

The second wing of McAlpine's new strategy was to capitalise on a recovery in the housing market while shedding the loss-making US housebuilders. In May the company bought its troubled rival, Raine, for £44m, an investment which has already proved earnings enhancing. Ignoring restructuring costs house building profits shot up to from £9.1m to £21.4m.

Prospects remain bright for the house building division. McAlpine has been contracted to take part in a 3,300-home "new village" seven miles west of Cambridge, to be called Cambourne. The company already saw house-building jump last year, from

1,688 homes in 1996 to 2,674 in 1997. Merrill Lynch forecasts that full-year profits for 1998 will grow to £34m. The share rose 5.5p to 176.5p yesterday, putting the group on a forward PE ratio of 8. Considering its construction industry peers are on multiples closer to 11, the shares look good value. Buy.

The Connection
w.e.a.r.s. well

FOR A COMPANY with a rather volatile record, French Connection has been performing remarkably well. The fashion retailer and wholesaler has learnt the lesson of past mistakes when it diversified into areas like Buulta sportswear. It is now concentrating on its two core brands, French Connection and Nicole Farhi.

The French Connection brand has received a huge boost in the past year thanks to the controversial f.c.u.k. advertising campaign which various parts of Middle England tried to ban. The group increased its advertising budget to £1.5m to back it and recouped most of the money through the sale of 100,000 T-shirts sporting the cheeky slogan.

This fed through to strong growth in the UK, where like-for-like sales increased by 15 per cent and profits doubled to £3.5m. This is a creditable performance on a fragile high street where even the likes of Next have stumbled.

The strong performance of the two brands pushed full year profits up from £6.2m to £8.2m and the shares rose 25p to a new high of 427.5p. They were languishing at around the 150p mark just two years ago.

The first half of the current year will be affected by expansion work at two key London stores but these should make an enhanced contribution in the second half. The group is also expanding significantly this year with a £10m capital expenditure programme which will see a further six shops added this year in locations like Bristol, Glasgow and Leeds as well as six more concessions. A test store has also opened in Canada.

On NatWest Securities' forecasts of 29.5m the shares trade on a forward rating of 14. That is not too demanding but fashion is a volatile business and the shares have had a good run. Hold.

Dixons buys
Byte stores

By Nigel Cope
City Correspondent

DIXONS, the electrical retailer, announced yesterday it had bought the Byte chain of personal computer superstores but said it planned to close 13 of the 16 branches.

Dixons is paying just £100,000 for Byte, which recorded pre-exceptional losses of £1.7m last year. It is keeping three outlets in Chester, Solihull and

and Chiswell Street in the City of London, which will all be rebranded under Dixons' PC World name. All the others will close although Dixons said it hoped to offer the staff jobs at its nearby PC World stores.

Dixons is also likely to pull out of the 45 concessions Byte currently operates in Office World, the stationery and office furniture retailer. It is paying £4.9m for the freehold property in Solihull which houses the head office as well as a store.

Filofax
sells card
business
at a loss

By Nigel Cope
City Correspondent

FILOFAX, the personal organiser maker, has sold its greetings card business for a net loss of more than £6.5m. Filofax paid £5.4m for Henry Ling & Sons four years ago but has sold it to a private buyer for a maximum cash consideration of £1m.

The deal includes a goodwill write-off of £4.8m.

The news, combined with a trading update warning that the strength of sterling was still affecting trading in the second half, knocked 9.5p off Filofax shares which closed at 187.5p.

The company repeated the announcement it made in February that it was continuing discussions with third parties in relation to various strategic opportunities.

It is thought these could include a bid for the whole group, which at yesterday's share price was valued at £53m.

Filofax said that in spite of the currency impact, sales had grown in all areas apart from Henry Ling, which it said was experiencing a disappointing year.

The company said it expected profits for the year to March to exceed £6m.

Previous forecasts were for £6.5m.

These forecasts included an expected contribution from Henry Ling & Sons, which made profits of £188,000 last year and had net assets of £2.4m.

Filofax has been struggling over the last couple of years due to the increasing popularity of electronic organisers and, more recently, the strength of the pound.

The company's shares reached a peak of 275.5p in 1995 but slumped to 121.5p last November after a profits warning.

'Independent'
group hits £81m

By Michael Harrison

which include the Johannesburg Star and newspapers in Cape Town, Durban and Pretoria, grew 11 per cent to £19.7m.

Liam Healey, chief executive, said that circulations of the group's South African titles had begun to rise again, having fallen after the elections, while advertising revenues had been strong in the second half.

He indicated that Independent Newspapers was on the lookout for further titles. "We are an acquisitive company and we will continue to be."

Newspaper Publishing, the publisher of the two Independent titles, made a £7m loss last year. Independent Newspapers, which took control of the company last month, has reduced the carrying value of the business to zero to comply with accounting standards which take effect next year. Brendan Hopkins, chief executive of Wilson & Horton, publisher of the flagship daily, *The New Zealand Herald*.

At the operating level, profits rose by 59 per cent from £6.7m to £10.6m on sales up by 43 per cent to £65.9m.

Dr Tony O'Reilly, Independent Newspapers' chairman, said the current year had begun positively in all markets and the decision to take full control of Wilson & Horton would produce further earnings growth this year.

In the UK, profits grew from £3.4m to £4.9m helped by the purchase of the *Kenish Times* while profits from the group's South African titles,

And suddenly Joe Public,
2.4 kids, Acacia Avenue,
becomes his old self again.



Sharan

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MARKET REPORT



PETER THAL LARSEN

Buying spree pushes Footsie over the 6,000 mark

HAVING spent a week catching their breath, the bulls were back out in force yesterday. With the first quarter – which is important for performance figures – out of the way, investors went on a buying spree which allowed the Footsie to close above the 6,000 mark for the first time.

The benchmark index first broke this psychologically important level 10 days ago, but could not hold on to the gains and slipped back.

Since then the market has drifted as stock market strategists tried to come to terms with a market which had reached these heady levels about nine months earlier than most had expected.

However, investors clearly decided yesterday that just because the market had already risen by a fifth that did not mean shares weren't worth buying.

After a cautious start, the Footsie burst through the 6,000 mark at lunchtime and

briefly touched 6,030 before closing at 6,017.6, up 85.4 points.

Leading the charge was Orange, the mobile phone operator, which slumped recently after SBC Warburg was left holding a large chunk of shares that it took over from British Aerospace.

First-quarter subscriber figures due out today are widely expected to show Orange making up some of the ground it lost before Christmas and the shares bounced 25.5p to 406p.

Rival Vodafone released its figures yesterday and pleased the market by reporting a net increase in subscriber figures of 172,000 – at the very top of expectations. The shares, which have almost doubled in the past six months on bid speculation, added 3.5p to a new all-time high of 628.5p.

Vague bid chatter linked

Globe Telecom with American Home Products, the group which Smithkline

Beecham left in the lurch when it announced its ill-fated merger with Glaxo. Glaxo added 73p to 1,680p while Smithkline climbed 8.5p to 763.5p.

Value-hunters sniffed out two Footsie constituents which have been left behind in the recent rush. ICI added 60p to 1,125p on the back of its recent US acquisition while BT's 11p rise to 207p took the engineering group above the 200 mark for the first time since last December's profit warning.

Other industrial stocks were not so fortunate as vain hopes that the Government would act to reduce the strength of the pound were dashed by Gordon Brown's comments on Tuesday. Among the casualties were GEC, 11p lighter at 462p, GKN, down 20p to 1,595p, and British Steel, off 15p to 140.5p.

Recent Footsie entrant Compagnie, up 47.5p to 1065p,

continued its recent surge on persistent rumours of interest from Rentokil Initial, 32p better at 1,012p. Broker HSB also repeated its recommendation of the catering group's shares.

The Office of Fair Trading's decision not to refer retailer GUS's bid for rival Argos gave both shares a lift. Argos, expected to produce its final de-

fence tomorrow, gained 21.5p to 465p, and United News & Media, 3p lighter at 815p, lost ground on suggestions that their channels might find it harder to win viewers if they were not bundled with more popular offerings.

Chiroscience, up 25p to 348.5p, continued its surge on the back of Tuesday's distribution deal with Zentech Dresdner Kleinwort Benson had hiked its share price target from 440p to 750p and rated them a "strong buy".

Tiny US-based oil explorer XCL was dumped 57.5p to 232.5p after announcing that it would file its results late in order to allow it to recalculate its reserves and that 1997 losses would be about \$14m, compared to \$12m in 1996. Two minutes before the market closed, the group rushed out a statement clarifying that its proven reserves had increased.

Sure Group, the petrol retailer, slipped 7.5p to 41p following Tuesday's disappointing results.

TAKING STOCK

A SOARAWAY day for Security & General Medi, the publishing minnow which changed its name from Serif last November. Its shares more than doubled on news that legendary small company stockbroker Colin

Blackburn had taken a 4.49 per cent stake. Earlier this year Mr Blackburn made a killing from boned-out

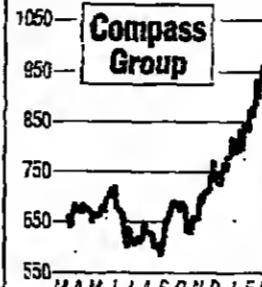
Tadpole Technology, where he watched shares bought at 10p increase almost fivefold.

Later, directors John Gulliver and Phillip Davies announced they had bought 50,000 shares at 22p. The two now control a 24.26 per cent stake.

THERE'S blood on the rhododendrons. In a note entitled "War of the Roses" stockbroker Merrill Lynch gives its view on quoted garden centre operators. It rates Country Gardens, up 14p to 244.5p, as a buy but is neutral on rival Wyevale. It is better at 354.5p. There's no mention of AIM-listed Dobbies Garden Centres, down 20p to 375p.

Share spotlight

share price, pence



Source: Datastream

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Source: Datastream

Source: Data

How the bottom line fails to support the goldilocks theory



DIANE COYLE
ON THE MYTH OF INCREASED COMPETITION

ONE of the components of today's received wisdom about the economy is that the business environment is more competitive than ever. It has become an even more popular theme in the aftermath of the Asian crisis, with predictions of a "flood" of cheap goods following the devaluation of Asian currencies and collapse of demand in their home markets.

But the notion that competition is fiercer than ever was always one of the building blocks of the "new paradigm" theory that low inflation is now compatible with a higher rate of growth than in previous business cycles. Technological change and improved labour productivity are part of this story, but so too is increased efficiency resulting from globalisation and the consequent increased openness to competition. This is what some economists argue lies behind the shift to a new environment of permanently low inflation.

The new paradigm – also known as the "goldilocks economy" in the US, because growth has blown neither too hot nor too cold – is very enticing. There is almost certainly some truth in it – it is impossible to deny that long-run technological change is altering the way modern economies work. But the fact that this view has become so popular at the point in the US and UK business cycles when growth is passing its peak and a downturn is

likely ought to set alarm bells ringing in the sceptical mind.

So to probe the issue, start with the question about how you can tell whether competition has increased. If life is tougher for businesses, it ought to be better for consumers. One indicator of that would be prices. Now, inflation is indeed lower around the industrialised world than it was in earlier decades, with consumer price inflation running in the 0.5 to 3.5 per cent range in most OECD countries (with the UK, surprise, surprise, near the top of the range). Inflation rates further back in the supply chain, at the factory gate, are virtually zero. Retailers are eager to report that if they put up prices, shoppers stay away. And lower inflation has translated into healthy increases in real, inflation-adjusted earnings.

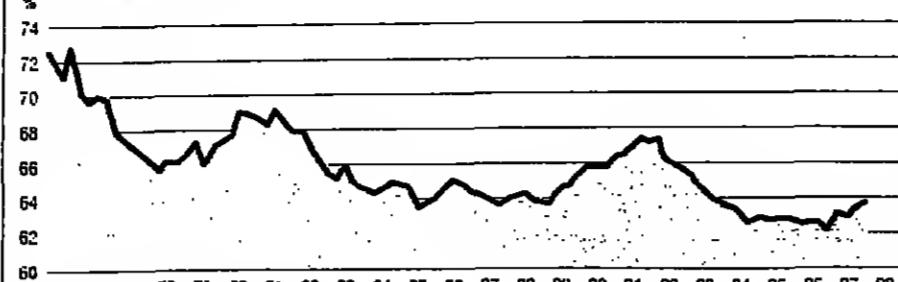
Yet this does not count as conclusive evidence. There are other reasons, apart from increased competition, which explain why observed retail price inflation should be low and stay low. The simplest, and most important, is better macroeconomic policy. Governments have learned from experience and now know how to avoid the kind of policy mistakes that allowed inflation to take off in the past.

In addition, measured consumer price indices mainly measure the price of goods and some goods have seen dramatic price falls relative to other goods. Any index which includes computers and consumer electronics will exclude other things such as widely purchased services will be reflecting these relative price declines.

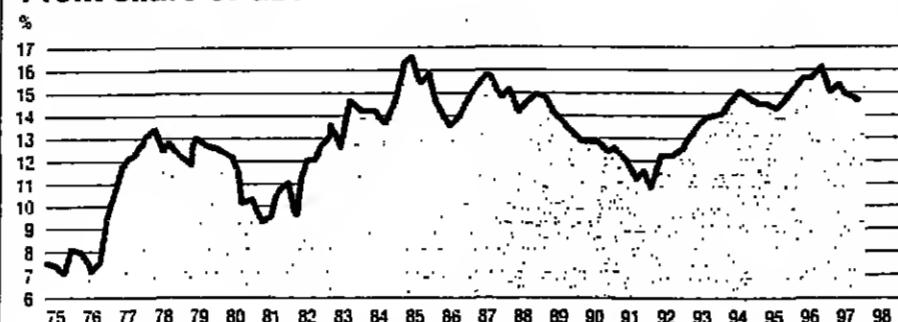
This is not a knock-out blow to the increased competition argument, because inflation measured by GDP deflators, the broadest price indices, has also been low. But it does draw attention to the need to keep separate the general argument from the fact that some markets for particular goods are experiencing dramatic technical change or world oversupply or both.

Semiconductors, and hence basic computer hardware, and steel both fall into this category. But looking at prices is a

Earnings share of GDP



Profit share of GDP



badly flawed method of assessing whether or not businesses are experiencing increased competition. The best indicator is the old bottom line, profits. And that suggests that, actually, companies have never had it so good. For the corporate sector as a whole (not just listed companies) rose by 3 per cent in 1997, following a 10 per cent jump in 1996. Most analysts expect them to grow healthily again this year, although the range of forecasts is wide because of uncertainty about how fast the economy will slow. Last year's profit growth was a shade below GDP growth, so the profit share of national income declined slightly. But, as the graph shows, it remained near its highest level for 30 years.

The corollary of this is that the share of earned incomes in the total has declined over time, and is near its lowest for a generation. This rather torpedoes the theory that the business environment is unusually tough.

The same pattern can be observed around the OECD. The return to capital has increased in almost all countries, meaning that this is the best time to be a capitalist since at least 1970.

As brokers ABN Amro point out in their latest quarterly, this fundamental fact is what high stock market valuations have been reflecting. Strategist Gareth Williams still reckons markets are overvalued, with the 20 per cent rise this year down to exuberance – but shame on anybody who thought the markets were being completely irrational.

The profit figures suggest that the new paradigm is shorthand for the fact that gains in labour productivity have been successfully captured rather than frittered away by policy mistakes. Part of the gain has gone in increased real pay, but most of it has increased the profit share. The competitive environment might well have become tougher for some companies or industries, with a struggle over which

part of the supply chain captures the increased profits, but certainly not for the business sector as a whole.

Will this pattern continue? Probably not. Apart from the fact that at some point a social reaction will start to improve labour's share of national income once again, diminishing returns to investment are also likely to set in. In both the UK and US, business investment in equipment and plant has been very strong. As the scope for cost-cutting comes to an end – as must – the return to additional investment will diminish.

On top of that, the long cyclical upswing will end on both sides of the Atlantic. Businesses will have more to gripe about in future than they have so far. If a company has genuinely been finding competition a bit too stiff in the past five years, with a favourable macroeconomic background and great strides made in profiting from gains in labour productivity, its shareholders should be very worried indeed about how it will cope with the next five.

De La Rue plans to restructure banknote business

DE LA RUE, one of world's major manufacturers of currency notes and credit cards, said yesterday it was planning to reorganise its banknote business to improve competitiveness.

De La Rue said it would address a number of issues, including over-capacity and operational efficiency in its review.

The company initiated the review last month when it announced a profit warning for the year. The company warned that against lower operating profits on 19 February and it triggered a share price slide of around 25 per cent in one day.

It admitted it had suffered from oversupply in its main banknote business and has failed to meet expectations in its other businesses, such as making cash-sorting machines and payment cards. It recently took a stake in an electronic terminals business run by France's Ingenico SA in an effort to improve its exposure in that area.

Yesterday, De La Rue regained ground, closing at 289p, a 5p gain, as it said it was going to organise its business into four core areas: currency, security products, international and brand production.

De La Rue said James Hus-

say would be managing director of the currency business and would be responsible for managing the banknote and banknote-paper business. Mr Hussey was formerly managing director at Portals Group, the security and specialist papermaker.

Michael Pugh, De La Rue's managing director for security paper and print division, said:

"The over-capacity in the banknote market has considerably affected our profitability and one of the first tasks will be for James to determine what further steps need to be taken to tackle this."

The company said in February that its physical security business had performed badly, wiping out nearly £10m from the division's operating profits.

De La Rue was also hit by the economic crises in Southeast Asia, which accounted for 10 per cent of its total cash-handling equipment sales.

Brandon Gough, De La Rue's chairman, added: "There is no magic formula. While we are the most efficient commercial banknote producer in the world and the most profitable, it was time to take a serious look at that business to reshape it."

Vickers said it had entered four weeks of exclusive talks with BMW, selected as preferred bidder on Monday after tabling a £2.6bn offer for Rolls.

"We would like to make clear Vickers has entered into a period of exclusive talks with BMW... it is still in discussions with any other party. There have been no other new offers," said a Vickers spokesman.

Vickers said the comments were made in an attempt to clear up possible misunderstandings after the comment made by Mr Morris at a reception in Berlin.

Mr Morris' remarks followed a report in the German tabloid *Bild*, which said VW planned to top its DM1.5bn (£500m) offer by DM300m.

Agencies

Mobile surge

Vickers denies reports of VW offer for Rolls.

VICKERS yesterday denied receiving a revised offer for Rolls-Royce Motor Cars, its luxury car unit, from Volkswagen after selecting its German rival BMW as the preferred bidder. Vickers said claims that it had received a revised VW bid and was in talks with the company had "no substance".

The statement contradicted comments on Tuesday evening by Graham Morris, Rolls-Royce's chief executive, who said importers a new VW offer had been tabled. Vickers said this was wrong and gave what it called the "official" version of events.

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British Midland profits soar

BRITISH Midland Airways, the country's second-biggest scheduled airline, had its most profitable year ever in 1997, despite increased competition from new low-cost carriers.

The privately owned airline

yesterday reported an increase in pre-tax profits to £17.3m from £6.1m in 1996 on sales that rose 10.7 per cent to £530m.

James Hussey, chairman, said:

"It is encouraging to see that British Midland has continued to perform well in 1997. We have maintained our position as the UK's second largest airline and have delivered record profits. The airline also announced that it would launch a new route between Heathrow and Warsaw on 10 July, to break the route duopoly of British Airways and the Polish carrier LOT."

Sir Michael Bishop, chairman,

said traffic and loadings were boosted by investment in its premium Diamond EuroClass service and route connections

alliances with 17 international carriers at its home base at London Heathrow airport.

British Midland also benefitted

ed last year from a strike by cabin crew at British Airways which boosted profits by £3.5m-£4m.

Traffic was up 7.5 per cent at 5.7 million passengers but capacity growth was just 2.3 per cent, which gave a rise in average seat sales to 65.4 per cent of capacity from 63.2 per cent in 1996.

The airline also announced that it would launch a new route between Heathrow and Warsaw on 10 July, to break the route duopoly of British Airways and the Polish carrier LOT.

Sir Michael said BM had prioritised bringing new competition to Europe's scheduled air markets and he was confident

of taking on the new low-cost airlines, including BA's own venture Go, which announced its first routes today.

But he warned that sooner or later there would be casualties as economic realities took hold, predicting there could be at least one failure within the next 12 months among the newer airlines.

Bishop said the low-cost phenomena in Europe was likely to go the way of the US market when deregulation 20 years ago triggered a proliferation of similar start-up "no frills" airlines, only for most to be gradually killed off.

Go takes off, page 3

Foreign Exchange Rates

Country	Sterling	Dollar	Country	Sterling	Dollar	Country	Sterling	D-Mark
	Spot	1 month	3 month	Spot	1 month	3 month	Spot	Spot
UK	10000	2.551	2.555	0.5667	0.5996	0.603	0.3223	880
Australia	22.375	26.251	26.285	5.158	5.401	5.405	0.8584	960
Canada	22.325	21.754	21.765	1.3518	1.3514	1.3520	0.8584	960
Belgium	63.265	63.064	63.209	38.235	38.173	38.204	2.016	2016
Denmark	23.265	23.211	23.251	1.1656	1.1753	1.1749	0.7649	960
Iceland	11.240	11.762	11.763	0.7064	0.7029	0.7023	0.3803	960
Finland	9.934	9.970	9.930	0.5771	0.5971	0.5871	0.3241	960
France	10.380	10.345	10.322	0.6244	0.6332	0.6325	0.3508	960
Germany	10.390	10.345	10.322	0.6244	0.6332	0.6325	0.3508	960
Greece	54.192	54.534	54.571	0.5653	0.5851	0.5851	0.3150	960
Hong Kong	12.944	12.828	12.820	7.7498	7.7242	7.7242	1.782	960
Ireland	1.314	1.2301	1.2275	1.3565	1.3558	1.3584	0.7314	960
Italy	30.545	30.392	30.375	1.9205	1.9192	1.9192	0.5993	960
Japan	22.132	22.025	22.025	12.293	12.253	12.253	0.5981	960
Malaysia	6.161	6.048	6.023	3.6836	3.6786	3.6730	1.9899	960
Norway	14.207	14.207	14.207	8.0505	8.0505	8.0505	4.5589	960
New Zealand	20.320	20.320	20.320	12.0708	12.0548	12.0548	7.0271	960
Norway	12.800	12.759	12.759	7.8650	7.8620	7.8620	4.7636	960
Portugal	3.171	3.167	3.167	1.8938	1.8921	1.8921	1.0238	960
Spain	22.260	22.075	22.075	12.2915	12.2501	12.2501	7.0456	960
Sweden	14.372	14.372	14.372	8.0505	8.0505	8.0505	4.5589	960
Switzerland	2.205	2.195	2.195	1.2078	1.2078	1.2078	0.7325	960
UK	16.700	16.700	16.700	1.2078	1.2078	1.2078	0.7325	960
USA	16.700	16.700	16.700	1.2078	1.2078	1.2078	0.732	

27/BUSINESS

'Mobile phone operators see surge in new subscribers'

THE GROWTH in the mobile phone market has shown no sign of a slowdown this year, it emerged yesterday after the UK's leading operators published their new subscriber figures.

Vodafone said it added more than twice as many subscribers in its fourth quarter as a year ago as falling call rates made more people buy mobiles.

Vodafone, the US's largest mobile phone operator, added a net 172,000 subscribers in the

three months to 31 March, above expectations and up from the 67,000 new customers added in 1997's first quarter.

The company, which now has 3.43 million UK subscribers, also said it had more than doubled the number of its international subscribers over the last 12 months to 2.41 million.

Mobile phone operators in the UK and elsewhere in Europe have seen subscriber figures surge in recent years as falling call rates and declining

prices for mobile phones have attracted more customers.

Vodafone shares closed 3.5 pence higher at 628.5p.

Rival Cellnet, which is 60 per cent-owned by British Telecom and 40 per cent by Securicor, said it added a net 88,000 subscribers in the quarter, up from 12,000 in the year-earlier period. Cellnet now has 3.08 million subscribers. BT shares rose 21p to 671p, while Securicor shares fell 3.5p to 404.5p.

One-2-One, which is equally

owned by Cable & Wireless and US West International, a unit of US West Media Group, said its subscriber base grew by 184,000 customers in the quarter, compared with 75,000 in the year-earlier period. The company now has 1.2 million customers. Cable & Wireless shares fell 0.5p to 747p.

Orange has yet to release its subscriber figures. The company's shares surged 25.5p to 406p.

- Bloomberg



Brake on growth: Oliver Whitehead (left, with chairman Sir Terence Harrison), warned yesterday McAlpine would be hit by curbs on road building. Photograph: Andrew Buurma

McAlpine warning as profits double

By Andrew Verity

ALFRED MCALPINE, the civil engineer and housebuilder, yesterday said the group would be hit by Government curbs on new road building as it announced a doubling of pre-tax profits to £24.1m.

Oliver Whitehead, the group's chief executive, warned its civil engineering business would suffer from falling sales as the Government went ahead with cuts to new road building. He said the group was moving into projects in the water sector, and road and rail maintenance to offset the decline.

Alfred McAlpine doubled

pre-tax profits in 1997 after buying Rainie, a rival housebuilder, for £42.6m. McAlpine said the homes division, which has so far missed out on a housing boom in the South-east, was set to benefit as the boom spread.

The company sold 2,674 homes last year against 1,688 in 1996. Its housing arm made an operating profit of £22m.

The company exited the construction market two years ago but still conducts special projects such as building football stadia. It is now close to completing Huddersfield Town football stadium and will this year start building a 25,000-seater stadium at Wigan Football Club.

Investment column, page 24

Shares in McAlpine rose 5p to 176p, valuing the group at £207.7m. Mr Whitehead said he would sell the group's loss-making US businesses "if the right offer came along". Blythe Construction and Becker Minerals, which make up 15 per cent of McAlpine's turnover, have been beaten to big road contracts by rival US companies.

A company spokesman said tomorrow's release of annual figures was likely to show that it was having some difficulties. "We've had a very disappointing second half. Perhaps by Friday we'll have some clarification of the approach."

Forward Technology ran into problems after a disastrous attempt to change the emphasis of its US factory toward the production of more complex equipment for other companies. It took on bonding orders from external firms to escape the pressures of existing markets. In December, after a 31 per cent fall in its market value, it issued its second profits warning in three months,

The company, which makes

audio and video cassettes, compact discs, and electronic equipment, has struggled recently, posting a loss in the first half of 1997 of £2.5m, compared with net income of £43,000 in the year-earlier period.

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PEOPLE & BUSINESS

JOHN WILLCOCK



Forward Technology may get offer

By Kerry Benfield

FORWARD Technology Industries yesterday revealed it had been approached in what may lead to an offer for the embattled company. The market responded immediately, sending Forward Technology's shares up by as much as 11 per cent, their highest level since October last year. The shares closed at 16.75p, a gain of 1.5p

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global equities at Commerzbank, named a score of his latest recruits.

A dozen of them are from UBS, while there is a sprinkling of former BZW and CSFB people as well, not to mention a couple of refugees from Peregrine, the crashed Hong Kong investment bank.

Mr Dalman was himself poached by Commerzbank last summer from Deutsche Morgan Grenfell to head its derivatives and equities operation. He was posted to Frankfurt, to avoid any chance of him "going native" in London, although most of the bank's new operations will be in the Square Mile. Mr Dalman was given SocGen's old, empty offices in Gracechurch Street, and more or less told to fill them.

Commerzbank had previously sniffed around Smith New Court and BZW, but plumped for "piecemeal" growth rather than forking out huge wads of cash for existing investment banks.

As Commerzbank's announcement put it yesterday: "This strategy differs from those of Deutsche Bank and Dresdner Bank, which acquired existing institutions. Commerzbank's strategy is to build its own."

Newcomers from UBS include Lakis Athanasiou, head of utilities, who is ranked number one by both Estel and Institutional Investor, together with his team-mates Paul Rogers and Chris Rogers.

Other UBS refugees include John Atkins (property), Michael Drepper (insurance), Peter Dupont (metals and mining), and Jeremy Eldin (oil and gas). Mr Dalman has also managed to lure Andrew Blair-Smith, former head of路透社 at BZW, Tim Hirst, ex-head of telecommunications at Dresdner Kleinwort Benson, and Ronald Koehler, former head of chemicals at CSFB.

Commerzbank has also assembled three "core analytics and trading teams": Martin Bell, head of derivatives proprietary trading, leads half a dozen people from Barclays Capital; Sunil Goenka, lake and Patrick Wong come from Peregrine to trade in Asian derivatives; and Laurie Pinin leads two other colleagues from Mesirow Europe to form a risk arbitrage sales team.

The FRENCH are determined not to be left out of the party. Crédit Lyonnais has dropped the "Lainé" off the end of its investment banking title, and appointed UK boss Michael Kerr-Dineen head of all European brokerage. In a newly remodelled "CLSE" or Credit Lyonnais Securities Europe.

Other talk in the wine bars of the City suggests that Dutch outfit Rabobank is about to hire another UBS type. John Aitken, the top-rated banks analyst, together with his team. And big noise Hector Sants, who has just defected from UBS to join Wall Street investment bank Donaldson Lufkin and Jenrette, is ru-

moured to be preparing the way for loads more UBS staff to follow him across.

All in all, the City has still got some way to go before it can earn the title "unemployment blackspot".

NEIL KINNOCK has never been short of a word or two and last week the European Transport Commissioner was on particularly good form. Mr Kinnoch was attending a lunch in Brussels hosted by the European Policy Forum at which Lord Simon, the minister for competitiveness and Europe, was guest speaker. Midway through his peroration Lord Simon switched into fluent French, as is his wont. Whereupon Mr Kinnoch was heard to observe: "Le nouveau Labour est arrivé."

TIM EGGAR, former energy minister and now chief executive of Monument Oil and Gas, appears to be using his political contacts to good effect.

Monument has won itself friends in Azerbaijan and is hoping to capitalise on those contacts by bringing on board Terry Adams, first president of the Azerbaijan International Oil Consortium in Baku.

Former BP man Mr Adams knows all there is to know about the region, so a joint development project in Azerbaijan is expected to be announced before long.

Mr Eggar is clearly gunning for the region and he brings a more swashbuckling style to the CEO job compared with Tony Craven Walker, who remains Monument's chairman. But Mr Craven Walker knew what to expect. He and Mr Eggar, a former investment banker, both shared positions on the board of Charterhouse Petroleum in the early 1980s.

Meanwhile, some other old friends, Ray Franklin and Malcolm Gourlay are struggling to put the wheels back on Pittencrieff Resources. They found themselves out of a job last year when Gulf Canada took over Clyde Petroleum. They came into Pittencrieff in September and have cleaned out the stable with a £10.5m writedown of assets.

Despite the consequent £10.8m pre-tax loss, Mr Franklin says he is confident of "doing another Clyde", which they built into a major success story.

The shareholders of Clyde, however, might remember that when Mr Franklin arrived in 1991 the share price was £1.20. It sank to 19.5p as the oil price slumped but later recovered. Gulf Canada paid... yes, you have guessed it, £1.20 a share.

A LONDON Underground project manager has been nominated for a top national award for inventing a system which monitors delays on the Tube.

Graham Stephens has been put up for Project Manager of the Year for his system "for monitoring the 60,000 incidents that each year cause a more than two-minute delay on the railway".

60,000. It's a wonder anyone in the City ever gets to work at all.

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In today's world baseball's traditional popularity is at serious risk

IN A time before blanket television coverage, player power and salaries to dwarf what some people get for running countries, baseball stood at the centre of American life.

I know about this from books and movies and conversations with people who speak about the game in reverential terms, rather like Burt Lancaster's ageing thief in *Atlantic City* saying: "You should have seen the ocean back then."

For purposes of comparison, before the 1998 baseball season's opening-day ritual this week I read again David Halberstam's book *The Summer Of '49*, which is a vivid account of the 1949 pennant race, in which two legendary rivals, the Boston Red Sox and the New York

Yankees, battled to a winner-take-all final game.

The romance of baseball and what it meant then in the American psyche is made clear by this description. "The fever was in the streets. On Saturday morning the crowd gathered early, not only in Fenway Park to watch the Red Sox and the Yankees in their early work outs, but also outside the nearby Kenmore Hotel where the Yankees were known to be staying... When Charles Silvera, a young catcher just brought up from the minor leagues, saw the streets outside the hotel jammed with excited Boston fans, he felt like a Christian on his way to the Coliseum [sic]. It was, thought Silvera, as though nothing in the world matters except this game."

Times change, maybe for the worse, maybe for the better, and they have changed enough to put baseball's traditional popularity at serious risk from what a friend, Pat Putnam, calls "competition for the leisure dollar."

Putnam, a decorated veteran of the Korean war who covered many big events for the American magazine *Sports Illustrated* and makes guest appearances for *The Observer*, coaches junior baseball in retirement. "Baseball remains the American game," he said, "but it has a generational problem. There are so many things kids can take up today and many don't have the attention span for baseball. Up here [Putnam lives near to the city of Albany in the state

of New York] we lose a lot of them to a thriving soccer programme." Thus baseball's Opening Day was seen to be a test of the game's resilience, its traditional loyalties. Opening Day was celebrated by 49,142 spectators at Shea Stadium where the New York Mets gained a 1-0 victory over the Philadelphia Athletics in the 14th inning.

The visitor finds baseball as difficult to understand as Americans find cricket but its nuances are compelling. As the *Newsday* columnist Steve Jacobson wrote yesterday: "That's the beauty of it [Opening Day] all. Too hokey [corny] for sophisticated New Yorkers, of course, except it's all about today, yesterday and the promise of tomorrow, woven into one piece of cloth."

Despite fears of terminal decline raised by the players' strike two years ago and cynical corporate manoeuvres, like that of the Florida Marlins owner, Wayne Huizenga, who sold off almost his entire team after winning the World Series last

season, baseball is at least holding its ground.

Bunting draped from the railings at Shea included the message, "We skipped school to watch da Mets." Maybe there is a new generation of aficionados out there although the look of things many in the audience could look back to more than they find comfortable to remember.

At Shea I fell into conversation with a fan who has not missed Opening Day in more than 50 years. He grew up supporting the Brooklyn Dodgers and went when they departed for California, something gone from his life with the crash of a wrecking ball into the Dodgers' famous old home, Ebbets Field.

Baseball for him is a passion

passed on from father to son, the smell from hot dog stands and merciless harracking. "A lot has changed," he said, "too much baseball on television [five of Tuesday's game could be watched live at intervals on various channels], fewer heroes. But I stay with it. Baseball is my game, America's game."

Baseball for me is Halberstam's tale of Joe DiMaggio at bat for the Yankees in Boston after recovering from an injury. "Never throw to this guy on the inside," Boston's lead off pitcher had said to a rookie in the bullpen. Ignoring his own advice, the next thing the pitcher heard was the ball hitting a floodlight pylon. All DiMaggio could hear was the roar of the crowd.



KEN JONES

Whelan's Wigan to turn riches into revival

One team threatens to be the superpower in Super League this season. Dave Hadfield on the dangers of Central Park domination

THE THIRD summer of Super League, which kicks off tomorrow night at Huddersfield, could turn out to have more in common with the old winter regime than with its two predecessors.

It is not some obscure side-effect of El Nino we are talking about here, but the potentially chilling impact on their rivals of a revitalised Wigan.

Cynics were heard to remark that the biggest difference in the first two seasons of Super League was that Wigan did not dominate the game in this country. That left the way open for first St Helens and then Bradford to seize the initiative; there is a danger that they and the rest will have the door slammed in their faces this year.

On one level, a Wigan revival is good for the game. Indeed, the managing director of Super League and former chairman of Wigan, Maurice Lindsay, sometimes seems to forget which hat he is wearing and makes Henry Ford-style pronouncements to the effect that what is good for Wigan is good for rugby league.

Well, yes, up to a point. Minister. A strong Wigan and a return of huge crowds to Central Park, before it finally closes its gates, would provide



Warrior class: Tony Smith displays the power at Wigan's disposal in the recent Challenge Cup semi-final against London

Photograph: Varley/Wilkinson

Super powers of league: Guide to the top division's 12 teams from the Bulls to the Warriors

Bradford Bulls

Coach: Matthew Elliott



Bradford will not again go 20 matches unbeaten - or anything like it in fact, they will have to develop a new dimension to their play if they are to move forward. But the last thing this season needs is another one-horse race.

Wigan, with Dave Whelan's money behind them, once more have the strongest squad in the competition. John Monie, whatever his trials and tribulations in Auckland, is the most effective coach the game here has ever seen and, although they are having a little local difficulty over their salary cap, it is nothing that more cash cannot fix.

The overdue change to a top five play-off and a Grand Final at the end of the season means that one side running away with the home-and-away section of the competition is not the dampener it would have been under the old system. But other clubs must emerge as genuine contenders over the next few weeks if the campaign is not to settle into a pattern of inevitability.

Who can do that? Well,

Halifax Blue Sox

Coach: John Pendleton



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Wigan, with Dave Whelan's

Hull Sharks

Coach: Peter Walsh



Major changes in the playing staff and relocation to The Shay. Some of the signs from the new owners are good, but there are doubts about the quality of other parts, to last the pace.

Wigan, with Dave Whelan's

London Broncos

Coach: Tony Curle



Had everyone been pulling in one direction, Hull could have been the "good news" story of the season. The coachless assistant to the living legend, Steve Roach, has moved to Bradford, but a thin squad - especially in the forwards and on dry pitches. Still, the mood among the players will be better and they will be capable of causing a few upsets.

Wigan, with Dave Whelan's

Huddersfield Giants

Coach: Garry Sleath



Huddersfield has a formidable task this season with a squad only modestly strengthened for their first season in Super League and a coach, too, for all his pedigree as a player, who is not even being of being in charge. One ground for optimism is that there is plenty of size and experience on the forwards, which could make them harder to break down than some opponents might suspect.

Wigan, with Dave Whelan's

Blades blowing to final on blast of Fred Eyre

IN normal circumstances, Fred Eyre would no sooner miss the Professional Footballers' Association's annual bash than forego the lifelong ritual of savouring every second of Wembley on a certain Saturday in May.

But, as Eyre explained in his apology to the players' union supremo, Gordon Taylor, he must pass up one due to the fact that he hopes to play an active part in the other. "Dear Gordon," he wrote, "I'm returning the ticket because (and I never thought I'd say this) I'm involved in an FA Cup semi-final that day. Please authorise someone to pick up my merit award."

There is no award, the last line being typical of Eyre's self-mocking wit, although maybe there should be. Now 54 and chief scout to Sheffield United, who contest a final place with Newcastle at Old Trafford on Sunday, his life has been a triumph of perseverance and humour in the face of adversity.

It would take a book to do full justice to the story that has led Eyre to his first semi-final since his days in Radcliffe Borough reserves' midfield. He has written five, with the tragicomic autobiography *Kicked Into Touch* still in print after 17 years. "It helps," he grinned, "when you print in batches of 10."

The son of a Manchester butcher - no mean pedigree for one now serving the Blades - he was the first-ever apprentice at his beloved City. After the crushing blow of a free transfer and failed attempts to make it at Lincoln, Huddersfield and Crewe, he hawked his indomitable spirit around the likes of New Brighton, Buxton, Chadderton, Ellesmere Port, Rossendale and Oswestry for two decades.

When it was over he had 82 coaches and 30 managers to his name. Oh, and one League appearance, for the doomed Bradford Park Avenue, a club so unstable "the gaffer's office had a turnstile instead of a door".

Bould blighted by double the nerves

THE Arsenal defender Steve Bould has revealed that the north London team were now beginning to feel the pressure of the championship race after Tuesday's 1-1 victory at Bolton.

Bould admitted that just one error could now cost Arsenal the ultimate prize after Christopher Wreh's 47th-minute strike had closed the gap on the League leaders Manchester United to just three points with Arsenal having two games in hand.

Bould said: "You get a feeling that you're close now and you've got double nerves instead of your usual pre-match nerves. Maybe one mistake and you could blow it all. It's great and it's exciting."

"I don't think you can sit down and analyse and say if we do this - win here or there. It's an old football cliché but you don't read beyond the next game and we've got a big game coming up with the FA Cup semi-final."

Arsène Wenger, the Arsenal manager, gave the winger Marc Overmars less than 50-50 chance of playing in Sunday's Cup game against Wolverhampton Wanderers after the Dutchman limped off at half-time at the Reebok Stadium with an ankle injury.



Phil Shaw meets Sheffield United's colourful chief scout aiming for Cup revenge over Newcastle after 43 years

Yet along the way, Eyre built and sold a chain of stationery shops; ran a Rolls-Royce with the number plate SFE 1 ("The S stands for Sir... you've got to think ahead"); hosted the breakfast show on one local radio station then worked as sports editor on another; and became a legend on the after-dinner speaking circuit.

Football remained his passion, however, undiluted by bad coaches ("Keep your high balls low tonight," one urged him) or a frustrating stint as assistant manager to Larry Lloyd at Wigan. The sheer number of his former team-mates ensured he was forever being asked to assess transfer targets or future opponents.

Last year, Eyre was scouting for Sheffield Wednesday when United offered him their senior post. He started the same day as Nigel Spackman, who was to vacate the hot seat dramatically last month, and Steve Thompson, the ex-Bramall Lane Kopite who asked him to share the manager's office with him on taking over.

"The whole thing with Nigel happened over our heads," Eyre explained. "The first I heard - genuinely - was when I was in bed, very early, Tommo rang, saying 'He's resigned.' I said: 'Who?' I thought he meant a sensation, like Alex Ferguson.

"We had no time to dwell on it. There was a match that night and the quarter-final at Coventry loomed on the Saturday."

Any divided loyalties? "At my age I only want to work for people I like. If the next man had been appointed at 9am and

I didn't like him, I'd have been gone by quarter past. I'm not getting up at half-six to work 14 hours - Partick Thistle one night, Birmingham the next and so on - for someone I don't like. I like Nigel but Tommo and myself also get on great."

By disposing of Coventry and keeping United's play-off prospects alive, the new regime avoided the self-destructive agonies Newcastle have endured over the loose tongues and morals of two directors.

Eyre and a fellow jester, the striker Dean Saunders, broke the tension before the game at Highfield Road. "We went in and told the lads we'd be doing all Tommo's clichés for him. We went through all the corniest lines managers say, like: 'Give 'em a dig early doors, let 'em know you're there' or 'It's all about who wants it most'."

"Afterwards, when we'd drawn, we both said spontaneously: 'Remember, it's only half-time.' Everyone was in fits of laughter. The dressing-room has been declared a cliché-free zone. Anyone uttering one has to pay a fiver into a kitty."

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Hristov the struggling striker still in favour

THE BARNSLEY manager, Danny Wilson, has no doubts that his striker Georgi Hristov will eventually deliver the goods. The Macedonia international has endured a difficult first season in the Premiership since arriving from Partizan Belgrade last summer.

Much was expected of Barnsley's record £1.5m signing, who first sprang to prominence when scoring the winner against the Republic of Ireland in a World Cup qualifying match a year ago. So far, Hristov has failed to live up to those expectations and has scored only four goals as team put up a brave fight for survival.

He has not been able to hold down a regular place in the Barnsley attack and did little to boost his popularity when criticising the club and town in an interview given in his homeland.

In a 2-1 defeat against Blackburn Rovers on Tuesday night, he left Barnsley third from bottom, Hristov demonstrated just how infuriating he can be as he wasted a glorious chance in the opening minutes then squandered further opportunities before finishing with great aplomb for Barnsley's equaliser.

Wilson admits Hristov has not scored as many goals as he

would have liked, but still has faith in him. He feels he has had problems adjusting to his new life and believes he will eventually prosper.

"We had a clear-cut chance early on against Blackburn with Georgi but he was misconstrued," Wilson said. "But I feel Georgi's always capable of scoring goals. Obviously he's not got the ratio of goals he'd like at this stage of the season. But people keep forgetting he's 22 years old, he's in a foreign country and has a lot of settling in to do."

"I'll be very patient with him as I think he could be a big asset for us in the next year or two if he can fulfil the potential we feel he has." In a reference to Barnsley's plight in the bottom three, Wilson added: "Unfortunately in the Premiership, you don't have time to wait."

The Aston Villa striker Stan Collymore is set to be out of action for a further three weeks after having a cortisone injection to try and cure his groin problem. The Villa manager, John Gregory, admitted that the most "realistic" comeback date would be the home Premiership game against Bolton on 25 April. "The specialist has said that Stan can't do anything for 10 days," Gregory said.

DAVID MOSS, a part-time insurance broker, did not believe he was taking out a high-risk policy when he swapped crisis club Partick Thistle for Falkirk.

The 29-year-old journeyman was leaving the financially stricken Firhill club for a side who had just savoured their first Scottish Cup final in 40 years and looked a good bet for promotion to the Premier League.

So the Yorkshire-born striker was in a state of disbelief two weeks ago when he heard this year's semi-finalists were also in danger of closure after calling in the liquidator with debts of £1.5m.

"I was down south when I heard things had gone wrong because I was suspended at the time," he said. "I found it hard to take in. For it to happen again to me in such a short space of time was just unbelievable."

"It was a total shock to find out my wages had been cut by 50 per cent. After leaving Partick Thistle and getting the chance to play for Falkirk, I couldn't believe it would happen again."

While Falkirk's long-term future is still uncertain with no new buyer visible as yet, the Brookville outfit are preparing

for Saturday's semi-final match with Hearts in much-improved spirits.

The "Back the Bairns" campaign has so far raised over £25,000 to pay the players, ensuring that on-field matters are once again their chief focus for the time being.

"It wasn't a nice feeling to have to go home and tell your wife, and then have to keep phoning up to see if your money is in the bank," Moss added.

"But we've been told that the full outstanding amount of our wages will be paid in today, so that's put a few minds at rest."

"There was already a superb team spirit at Falkirk before but this has brought us even closer together and certainly helped team morale before Saturday."

Moss's double strike in the 3-0 quarter-final win over St Johnstone - two of 15 he has notched this season - may have put Falkirk on the road to another possible final day.

But after a career that has taken him from home-town club Doncaster to Scunthorpe via Chesterfield and on to Partick and now Falkirk, Moss' striker is relishing his chance in the big-time.

ANOTHER all-Italian Uefa Cup final has moved one step closer after Internazionale and Lazio won their respective first-legs of the semi-finals on Tuesday.

The Brazilian midfielder Ze Elias scored a dramatic late winner for Inter as they won 2-1 at home to Spartak Moscow, while Lazio won 1-0 at Atletico Madrid - conquerors of Lecco and Aston Villa in earlier rounds.

Inter, who lost last season's final on penalties to the German club Schalke '04, dominated their tie from start to finish. Ivan Zamorano gave them a first-half lead, but the Spartak captain, Dmitri Alenichev, provided home a vital away goal after 48 minutes.

However, the Italians piled on the pressure and were rewarded in the last minute when Ze Elias, who had already set up Zamorano's goal, fired home following a goalmouth mêlée.

Lazio produced the perfect example of how to play away from home in a European tie when they shut out Atletico in Spain. Their Yugoslav international midfielder, Vladimir Jugovic, fired home the only goal of the game in the 34th minute as the Rome club extended their unbeaten record to 24

matches stretching back to last November.

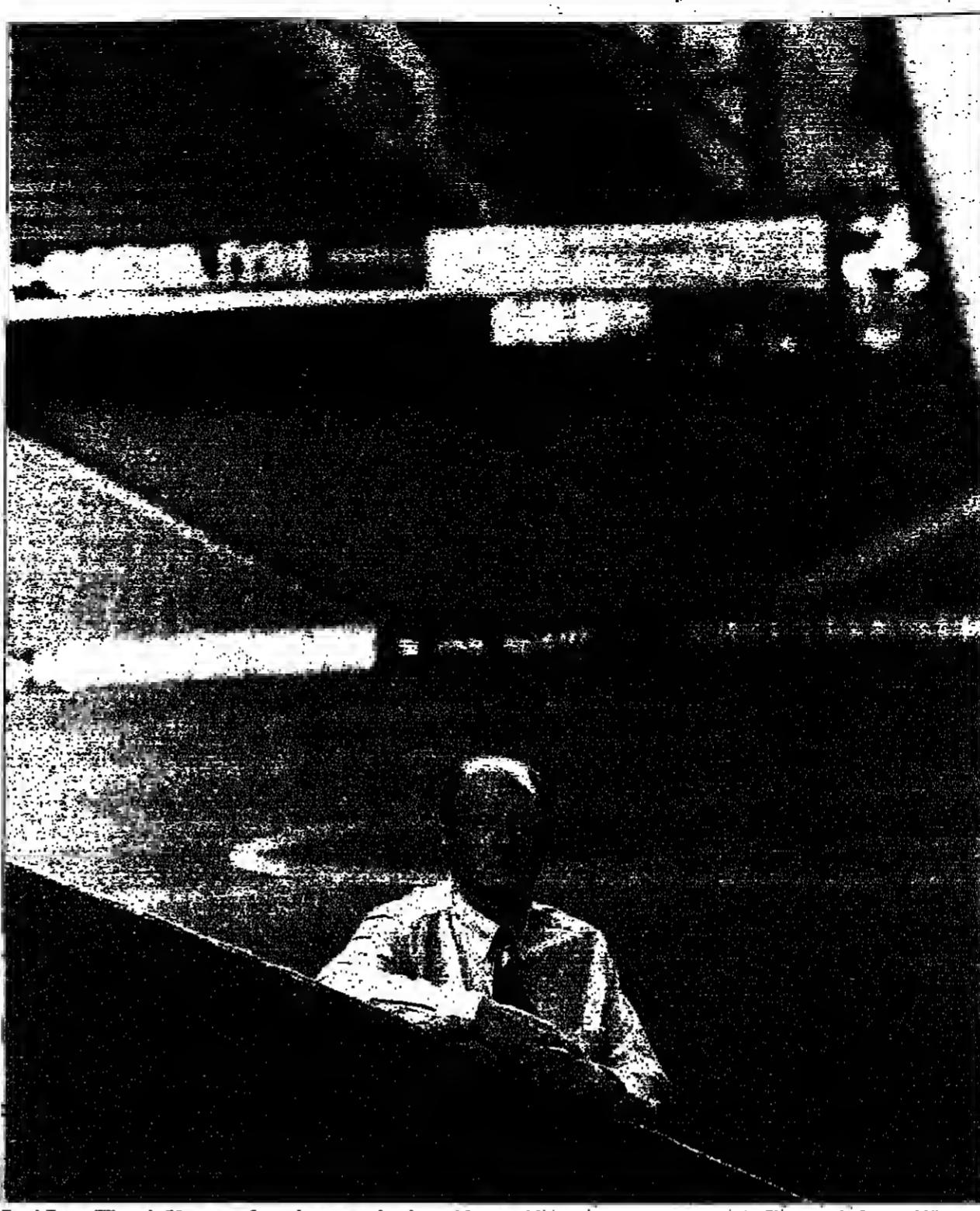
Jugovic struck from just outside the penalty area after neat approach play from Croatian Alen Boksic, who along with the captain, Diego Fuser, ran the Atletico defence ragged.

Jesus Gil, president of the Spanish club, watched the game and defied a Uefa ban that should have kept him out of the stadium.

VfB Stuttgart, worried by a league defeat and rumours over the future of their coach, Joachim Loew, can at least welcome back a key trio for tonight's European Cup winners' Cup semi-final first-leg at home.

The playmaker Krasimir Balakov and the strikers Fredi Bobic and Jonathan Akpoborie, who were all missing through injury when the German Cup winners slumped to a 3-0 defeat away to Hertha Berlin in the Bundesliga on Saturday, are fit again.

Lokomotiv Moscow, competing in a European semi-final for the first time, have a secret weapon - an intimate knowledge of VfB Stuttgart that the Russian club's staff have built up over years of spending the winter close season at a training camp just outside the German city.



Photograph: Simon Wilkinson

Flowers may face summer at home

By Rupert Metcalf

TIM FLOWERS left Ewood Park on Tuesday night with his arm in a sling, fearing that his dream of playing at the World Cup finals may be over.

The Blackburn Rovers and England goalkeeper was substituted during the 2-1 home win over Barnsley, after aggravating a shoulder injury when he fell awkwardly in the penalty as he punched the ball. He was due to have a scan on his left shoulder yesterday, and is fearful that he may need surgery which would jeopardise his place in Glenn Hoddle's squad.

"I couldn't lift my arm above my head and there was no way I could carry on," said Flowers, who added that his last scan in February "showed wear and tear and some arthritis".

John McGidlay has lost his chance of a summer in France. Bradford City's Scottish international striker has been ruled out for the rest of the season with an Achilles problem.

Another forward who may not make the World Cup finals is Colombia's Faustino Asprilla. The former Newcastle man, now back in Italy with Parma, has aggravated a recurring groin injury and has been told to rest for 40 days.

The Scottish Football Association has had some success in securing extra tickets for the World Cup finals. Extra tickets have been given to Scotland for the two first-round fixtures against Morocco and Norway. "That means we have around 2,500 tickets for each of those two matches," David Findlay, an SFA spokesman, said.

England have arranged to play a B international against Russia. B at Queen's Park Rangers' Loftus Road stadium on 21 April to give some World Cup fringe candidates a run-out. The senior side meet Portugal at Wembley the following day.

Wolverhampton Wanderers have had a setback in their quest to add the Republic of Ireland striker David Connolly to their squad. The former Watford man, now with Feyenoord, was signed on loan prior to last week's transfer deadline - but his Dutch club are delaying the release of his registration.

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Second one-day international: Opener's brilliant form continues in difficult conditions before total is bolstered by late-order surge

Knight in shining form for England

By Derek Pringle
in Bridgetown

England 266
v West Indies

TWO contrasting, but equally important innings, one by Nick Knight, the other from Mark Ealham, helped England to a competitive total of 266 in the second one-day international here yesterday, after the West Indies had put England in to bat on a damp pitch. In reply, the home side raced to 83 off just 10 overs, a storming start tempered only by the loss of three wickets, including that of their captain, Brian Lara.

In difficult early conditions – prolonged rain from the previous day had made the pitch sweat profusely under the covers – Knight's measured knock of 90 from 107 balls was in sharp contrast to Ealham's whirlwind 45, which came off just 37 balls towards the end of the innings when the pitch had eased. Indeed, England added 87 runs from the final eight overs as the West Indies bowlers, their early ascendancy a distant memory, were thrashed to all parts of the ground.

The belated mayhem was in stark contrast to the scene earlier in the day when, with the ball gripping and seaming off the damp surface, the first 15 overs in particular, were a torrid experience for the batsmen. The free-flowing strokeplay, such a feature of the previous match was forced underground, a cloak of caution thrown over it.

Lara also opted for Ambrose instead of Franklin Rose, the tall Antiguan's metronomic dread forcing the openers to fence and forge for their runs

instead of plundering as they had done on Sunday. The contrast was marked and the first boundary did not arrive until the seventh over. Predictably, it was off a thick outside edge, which is more or less how Stewart was dismissed when he sliced Lewis to cover in the 10th over.

In some ways it was surprising the damage was not greater. Even so, the situation of 21 for 1 that welcomed Ben Hollioake to the crease for his second one-day international innings was hardly auspicious.

As ever the youngster looked unfazed, his confidence helped no doubt by Knight's controlled pull for six off Walsh. Moments later, Hollioake was emulating the stroke off Ambrose, although this time for four.

Last year, when he burst on to the scene as a precocious teenager, there was a feeling that Hollioake, although undoubtedly talented, was more than a little naive. This winter's forays to Kenya and Sri Lanka appear to have hardened him mentally. He still makes batting, even against Ambrose and Walsh, look like a Sunday stroll and he had eased his way to 16 from 15 balls when Rose, bowling from the Pickwick Pavilion end, brought off a fine one-handed catch to dismiss him.

But if the score was modest,

the stand of 50 with Knight had injected crucial momentum into the England innings, something it soon lost when Graeme Hick, a statue of tension next to Hollioake's languidity, was bowled by the leg-spinner, Rawl Lewis, for a duck. It was an unfortunate dismissal, the ball squeezing through both pads as Hick, normally a fine player of spin, tried to turn the ball to leg.

By now the sun had come out and dried the pitch substantially, which was behaving less skittishly than it had first when it was under heavy cloud. Even so England found themselves forced to retreat, something that Mark Ramprakash, playing in place of the injured Graham Thorpe – who has since flown home because of a recurring disc problem in his back – has become something of an expert at.

Ramprakash last played in a one-day international in South Africa two years ago, i.e. before the last World Cup when Sri Lanka showed everyone how much the game has moved on. But if Ramprakash began slowly, the rate perked up once he had got his eye in, however, and the Middlesex captain hit Lewis for a mighty six over mid-wicket. Unfortunately for England, an attempted repeat of the shot a few balls later, ended in

Ambrose's hands at deep square leg.

Not long after, England again stuttered when Knight, leg before to Phil Simmons and Adam Hollioake, unluckily run out backing up, went in quick succession.

Fortunately, England's depth of batting was such that the final charge was not compromised. In fact, led by Ealham, it provided some of the most exhilarating strokeplay of the day. One over from Rose, which included two fours and a six, was hit for 17 runs, as England made up for their enforced caution earlier in the day.

Inevitably, batting like that carries a high risk tariff and is often hard sustain. On this occasion, it was as if the lower order were a tag team and when Ealham eventually perished to a top-edged sweep, Matthew Fleming, as he often does for Kent, managed to sustain the rate with a quickfire 28, until Ambrose interjected, with two late wickets.

Tendulkar's day, page 31

Bad back forces Thorpe home

GRAHAM THORPE returned home from England's tour of the West Indies on Tuesday night with a back injury. Thorpe has been troubled by the injury since the Barbados Test match. "It is disappointing to end

the tour in this way, but I am confident I can play a full part in England's programme next summer," Thorpe said. Thorpe is expected to recover in time to begin the County Championship season with Surrey.

West Indies won toss
ENGLAND
N Y Knight bw to Simmons 20
A J Stewart c Lara b Walsh 3
B C Hollioake c & b Rose 15
G A Hick b Lewis 0
M R Ramprakash c Ambrose b Lewis 25
"A" J Hollioake run out 11
M A Ealham c Ambrose b Simmons 45
D R Brown b Simmons 21
P A Lewis c Williams b Ambrose 28
R OJ Corlett not out 1
O W Headley b Ambrose 0
Extras (62, w1, n1) 12
Total (50 overs) 266
Fall: 1-21, 2-71, 3-72, 4-131, 5-154, 6-158,
7-205, 8-238, 9-257.
Bowling: Ambrose 12-0-44-2; Walsh 10-
1-51; Rose 6-0-50-1; Lewis 10-0-40-2;
Simmons 8-0-48-3; Hooper 4-0-3-0.

WEST INDIES
P A Walton c & b Hollioake 25
P A Lewis c & b Ramprakash 21
S C Williams not out 1
C L Hooper not out 4
Extras (62, w1, n1) 5
Total (for 3, 11.2 overs) 84
Fall: 1-41, 2-54, 3-78.

To bat: P V Simmons, H J Jacobs, F A Rose, C E L Ambrose, C A Walsh, R N Lewis.
Umpires: B Morgan and E Nichols.

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